

REPORT 2006

European Centre for Advanced Research
in Economics and Statistics

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FOREWORD

Inaugurated in November 1991, ECARE started as a joint initiative of the Institut d'Etudes Européennes (IEE) at the Université Libre de Bruxelles (ULB), and of the Centre for Economic Policy Research (CEPR), a network of around 500 researchers in Europe.

In the Fall of 1997, ECARE then merged with the Centre d'Economie Mathématique et d'Econométrie (CEME), which had been founded at ULB in the 1970's, with as purpose to foster international quantitative research in economics at ULB.

The collaboration with statisticians from ULB's Institut de Statistique et de Recherche Opérationnelle (ISRO) was officialized in 1999 by the transformation of ECARE into ECARES, the "European Centre for Advanced Research in Economics and Statistics", and in 2006, by the integration of the Institute for Research in Statistics. These institutional changes have thus gone in the same direction: strengthening the connection between research in economics, econometrics and statistics while keeping our commitment to excellence and internationalization

Over the years, ECARES researchers have developed expertise in a number of major fields of economics, in particular:

- The evaluation of European integration policies and its dynamics of "deepening" and "widening".
- The analysis of economies in transition, in Eastern Europe and in China.
- The structure and behavior of banking and financial markets.
- The theory and empirics of macroeconomics, including its political economy component.
- The behavior and organization of firms and markets.
- The theory and applications of econometrics.
- The statistical analysis of time series data

This research activity has given ECARES international visibility and reputation: the European Wall Street Journal in September 2004 was mentioning ECARES in a short list of seven European centres of excellence that were resisting the brain drain to the more attractive US universities. Its members are also particularly active in CEPR, as Research Director, Programme Directors, Research Fellows or Research Affiliates. Members of ECARES have moreover been serving on the Council of the European Economic Association (EEA) or the Council of the Econometric Society. They have organized major international events, such as a Nobel Symposium, two annual meetings of the EEA, and a World Congress of the Econometric Society.

In 2005, Mathias Dewatripont served as President of the EEA. He was also appointed by the European Commission as member of the newly created European Research Council. Marc Hallin was awarded a Chaire Francqui to lecture on at the Katholieke Universiteit Leuven. Lucrezia Reichlin was appointed as Director General Research at the European Central Bank in February 2005.

In close connection with this research, ECARES has developed an important doctoral activity, with the creation of a Doctoral School that attracts many first-class European and non-European students. ECARES has also received a substantial number of EU-financed "Training and Mobility of Researchers" grants, and participates in several networks in the "Research Training Network" programme.

ECARES and CORE have decided to join forces in a common center of excellence, ECORE that integrates the research activities and doctoral programs of both institutions. ECORE ranks among the top five research institutions in Europe, after LSE, Tilburg, Oxford and Cambridge. ECORE has 60 permanent Faculty, some 20 post-doctoral students and 90 doctoral students in residence in Brussels and Louvain-la-Neuve.

This report presents the achievements of ECARES for the year 2006. They were made possible by our collaboration with CEPR and the support of ULB. Our goal for future years is to keep our commitment to excellence in research as well as our mission of high-quality graduate education.

Victor Ginsburgh & Davy Paindaveine.

PEOPLE

Directors

Victor Ginsburgh

Davy Paindaveine

Financial Director

Victor Ginsburgh

ECARES Fellows

Marco Becht

Estelle Cantillon

Micael Castanheira de Moura

Paola Conconi

Griselda Deelstra

Catherine Dehon

Christine De Mol

Mathias Dewatripont

Jorge Duran

Marjorie Gassner

Domenico Giannone

Victor Ginsburgh

Marc Hallin

Georg Kirchsteiger

Robert Kollmann

Patrick Legros

Guy Mélard

Noël Nizette

Abdul Noury

Davy Paindaveine

Lucrezia Reichlin

André Sapir

David Veredas

Philippe Weil

Non-Resident Fellows

Philippe Aghion

Erik Berglöv

Patrick Bolton

Christophe Croux

Jean-Jacques Dreesbeke

Antonio Estache

Jacques Lawarrée

Peter Praet

Ailsa Roëll

Gérard Roland

Etienne Wasmer

Visiting Fellows

Julio Davila

Post-Doctoral Fellows

Maria-Caterina Bramati

Carine Peeters

Miroslav Siman

Christophe Soil

Patrick Van Roy

Vincenzo Verardi

Abdelilah Yadine

Doctoral Researchers

Ugo Albertazzi

Narcissa Balta

Martha Banbura

Nezar Bernal

Laurent Bouton

Aida Caldera

Paolo Casini

Delphine Cassart

Carlos Castro

Cédric Ceulemans

Claudia Cicconi

Jacopo Cimadomo

Laura Coroneo

Antonello D'Agostino

Quentin David

David De Antonio Liedo

Marina Emirris

Nicolas Gothelf

Denis Herbaut

Simone Hirschvogel

Gisèle Hites

Alexandre Janiak

Joachim Keller

Michele Lenza

Joëlle Liebermann

Roman Liska

Frédéric Malherbe

Anne Michels

Michele Modugno

Paulo Santos Monteiro

Francesca Monti

Fulvio Mulatero

Hassane Njimi

Laura Padilla

Gianluca Papa

Rafal Raciborski

Alexander Sebald

Biagio Speciale

Hiroyuki Taniai

Lydia Tsyganok

Thomas Verdebout

Cristina Vespro

Alexis Walckiers

Ariane Wautelet

Administrative Staff

Claude Adan

Corine Barella

Nancy De Munck

Romy Genin

WHO'S WHO AT ECARES

ECARES FELLOWS

Marco Becht

teaches finance and economics at ULB and he is the Executive Director of the European Corporate Governance Institute (ECGI). In 2003 he taught at the Said Business School (University of Oxford). He graduated from the London School of Economics and Political Science (LSE) and holds a Ph.D. in economics from the European University Institute (EUI). Previously he worked at the Centro de Estudios Monetarios y Financieros (CEMFI) in Madrid and at the European Commission's Directorate for Industry (DG III). He is a member of the European Academic Council of Standard & Poor's, the Belgian Corporate Governance Commission and an invited member of the management committee of the European Confederation of Directors Associations (ECODA). He has given expert briefings to the Group of Economic Analysis of the President of the European Commission, the senior management of Alcatel, BP, the clients of Hermes Pension Management, the Euro 50 Group, the Italian Securities Regulator (CONSOB), the OECD and the World Bank, among other. His research focuses on empirical law and finance.

Selected Work: "Corporate Mobility Comes to Europe: The Evidence", 2005 (with C. Mayer & H. Wagner); "Why has there been so little Blockholding in the United States?", (with B. De Long), in R. Morck (ed), *The History of Corporate Governance around the World: Family Business Groups to Professional Managers*, NBER, Chicago University Press, forthcoming; "Corporate Governance and Control", (with P. Bolton & A. Roëll), Chapter 1 of *Handbook of the Economics of Finance*, edited by G. Constantinides, M. Harris & R. Stulz (eds), North-Holland, 2003; *The Control of Corporate Europe*, (with F. Barca), Oxford University Press, 2001; "European Corporate Governance: Trading off Liquidity against Control", *European Economic Review*, 1999.

Estelle Cantillon

holds a M.Sc. in Management from ULB (Solvay Business School), an M.Phil. in Economics from Cambridge University and a Ph.D. in Economics from Harvard University. Prior to joining ECARES in 2004, she was a post-doctoral fellow at the Cowles Foundation, Yale University, and an Assistant Professor at Harvard Business School. She is also a research affiliate at the Centre for Economic Policy Research (CEPR). Her main research interests are in auction and market design, with applications to procurement, the design of combinatorial auctions, the competition between marketplaces and the creation of markets. Her work combines theoretical and empirical analysis to answer questions such as: How do market rules affect the outcome in a particular market? How should the market be organized in the interest of the market owner? Her work has implications for firms at the operational level (procurement) and at the strategic level ("firms-as-markets"). At ECARES she teaches market design and empirical industrial organization.

Selected work: "Auctioning Bus Routes: The London Experience", (with M. Pesendorfer), Chap. 22 in *Combinatorial Auctions*, P. Cramton, N. Shoham & R. Steinberg (eds), MIT Press, 2005; "Investment Incentives in Procurement Auctions", (with L. Arozamena), *Review of Economic Studies*, 2004.

Micael Castanheira de Moura

holds a Ph.D. in Economics from ULB (1998). He spent two years (1997-1999) at IGIER (Bocconi University) as a TMR research fellow and is now Chercheur Qualifié auprès du FNRS. His main focuses of research are political economics (voting and party theory), transition, and information management in organizations. Work currently in progress comprises the analysis of the strategic positioning of parties when political platforms contain a quality dimension (with Juan Carrillo), the parties' strategic use of a governance structure (with Nicolas Sahuguet and Benoît Crutzen), the political economics of welfare reforms in the European Union (with Tito Boeri), and the analysis of information management inside and across organizations (with Mikko Leppamäki). He teaches Introductory Microeconomics (Undergraduate level) and Topics in Political Economics (Graduate Level) at ULB, and recently taught industrial organization, macroeconomics, and graduate monetary theory.

Selected Work: "Why Vote for Losers?", *Journal of the European Economic Association*, 2003; "Victory Margins and the Paradox of Voting", *European Journal of Political Economy*, 2003; "Public Finance and the Optimal Speed of Transition", *The Economics of Transition*, 2003; "The Optimal Speed of Transition: A General Equilibrium Analysis", (with G. Roland), *International Economic Review*, 2000; "Political Economy of Growth: Lessons Learned and Challenges Ahead", (with H. Esfahani), in *Explaining*

Growth: A Global Research Project, Palgrave, 2003; "Workbook to Accompany Political Economics, Explaining Economic Policy", (with I. Brocas, R. Razin & D. Stromberg), MIT Press, 2000.

Paola Conconi

Her main research interests are in the areas of International Trade, Regional Integration, Development Economics, Environmental Economics, and Political Economy. She holds a B.A. in Political Science from the University of Bologna, an M.A. in International Relations from the School of Advanced International Studies of Johns Hopkins University, and a M.Sc. and a Ph.D. in Economics from the University of Warwick. She is a research fellow of the ESCR Centre for the Study of Globalisation and Regionalisation (CSGR) at the University of Warwick and a Research Affiliate of the Centre for Economic Policy Research (CEPR).

Selected work: "Green Lobbies and Transboundary Pollution in Large Open Economies", *Journal of International Economics*, 2003; "Issue Linkage and Issue Tie-in in International Negotiations" (with C. Perroni), *Journal of International Economics*, 2002; "Green and Producer Lobbies: Competition or Alliance?", in S. M. Murshed (ed.), in *Issues in Positive Political Economy*, Routledge Publishers, 2002; "Conditionality, Separation, and Open Rules in Multilateral Institutions" (with C. Perroni) in J.C. Hartigan (ed.), in *Handbook of International Trade: Economic and Legal Analysis of Laws and Institutions*, Blackwell Publishers, 2004.

Griselda Deelstra

holds a degree in Actuarial Sciences (1992) and a D.Sc in Mathematics (1996) from the Vrije Universiteit Brussel. Her research fields are: Interest rate models, stochastic optimization, mathematical finance and applications in insurances. She teaches Stochastic Finance and Stochastic Calculus at the ULB. Between 1997 and 2001, she has been teaching at the Ecole Nationale en Statistique et de l'Administration Economique (ENSAE) in Paris and at the doctoral programs of the Universit es Paris 7 and Paris 11. During that period, she was a member of the jury of the Institut des Actuaire Franais (IAF).

Selected work: *Insurance, Mathematics and Economics*; "Optimal Design of the Guarantee for Defined Contribution Funds", (with M. Grasselli & P.-F. Koehl), 2004, *Journal of Economic Dynamics and Control*; "Pricing of Arithmetic Basket Options by Conditioning", (with J. Liinev & M. Vanmaele), 2004; "Optimal Investment Strategies for Defined Contribution Funds", (with M. Grasselli & P.-F. Koehl), 2003; *Insurance, Mathematics and Economics*; "Dual Formulation of the Utility Maximisation Problem under Transaction Costs", (with H. Pham & N. Touzi), *Annals of Applied Probability*, 2001

Catherine Dehon

holds a Ph.D. in Statistics from ULB, 2001. Her research areas focus on robust regression, robust multivariate analysis and robust econometric methods. She has been assistant professor at ULB since Spring 2002.

Selected work: "Estimators of the Multiple Correlation Coefficient: Local Robustness and Confidence Intervals", (with C. Croux), *Statistical Papers*, 2003; "Bounded Influence Regression Using High Breakdown Scatter Matrices", (with C. Croux & S. Van Aelst), *Annals of the Institute of Statistical Mathematics*, 2003; "Robust Estimation of the Conditional Median Function at Elliptical Models", (with C. Croux, P.J.Rousseeuw & S. Van Aelst), *Statistics and Probability Letters*, 2001; "Robust Linear Discriminant Analysis Using S-estimators", (with C. Croux), *The Canadian Journal of Statistics*, 2001.

Christine De Mol

holds a Ph.D. in Physics (1979) and a habilitation degree in Mathematical Physics (1992) from ULB. Since 1975, she has held several research positions with the Belgian National Fund for Scientific Research (FNRS) that she left in 1998 as a Honorary Research Director to become a full-time Professor at ULB. She has served on the Editorial Board of the journal "Inverse Problems" and has held several visiting positions (Universities of London, Rome, Montpellier, Paris-Sud). Her research interests include inverse and ill-posed problems, regularization methods, mathematical methods in signal and image processing, wavelet theory and time series analysis with applications to economic data.

Selected work: "An Iterative Thresholding Algorithm for Linear Inverse Problems with a Sparsity Constraint", (with I. Daubechies & M. Defrise), *Comm. Pure and Appl. Math*, 2004; "A Fourier-based method for the restoration of chopped and noded images", (with M. Bertero, P. Boccacci, A. Custo & M. Robbeto); *Astronomy and Astrophysics*; 2003; "Super-Resolution by Data Inversion", (with M. Bertero), *Progress in Optics*; 1996.

Mathias Dewatripont

holds a Ph.D. in Economics from Harvard University, 1986. His general research area is the theory of incentives and organizations. He is Professor of Economics at ULB where he teaches introductory economics, microeconomic theory and contract theory. He has been part-time Visiting Professor at MIT and Research Director of CEPR since 1998. Fellow of the Econometric Society, laureate of the 1998 Francqui Prize and of the 2003 Yrjö Jahnsson Prize for Economics, he was elected President of the EEA for the Year 2005. He has also been appointed member of the Scientific Council of the *European Research Council* in 2005. He was Managing Editor of the *Review of Economic Studies* (1990-94) and one of the three Programme co-chairs of the 2000 World Congress of the Econometric Society. He was outside Director of CGER-Bank (1992-99) and co-Director of ECARES (1991-2002).

Selected work: "Advocates", (with J. Tirole), *Journal of Political Economy*, 1999; "The Economics of Career Concerns, Part I & Part II, (with I. Jewitt & J. Tirole), *Review of Economic Studies*, 1999; "Moral Hazard and Capital Structure Dynamics", (with P. Legros & S. Matthews), *Journal of the European Economic Association*, 2003; "Transferable Control", (with P. Aghion & P. Rey), *Journal of the European Economic Association*, 2004; *Contract Theory*, (with P. Bolton), MIT Press, 2005, 724 p.; "Modes of Communication", (with J. Tirole), *Journal of Political Economy*, 2005.

Jorge Duran

holds a Ph.D. in Economics from Universidad Carlos III de Madrid (1999). He has been a Marie Curie postdoctoral fellow at the CEPREMAP-CNRS, an assistant professor at the Universitat d'Alacant, and a visiting professor at the Katholieke Universiteit Leuven. His research interests fall within dynamic economic theory: from technical issues in dynamic programming to education, the dynamics of social mobility, or growth theory.

Selected work: "Discounting long run average growth in stochastic dynamic programs", *Economic Theory*, 2003, 22(2), 395-413; "A simple proof of existence of an equilibrium in a one sector growth model with bounded or unbounded returns from below", (with C. Le Van), *Macroeconomic Dynamics*, 2003, 7(3), 317-332; "The measurement of growth under embodied technical progress", (with O. Licandro & J. Ruiz-Castillo), *Louvain Economic Review*, 2002, 68(1-2), 7-19; "On dynamic programming with unbounded returns", *Economic Theory*, 2000, 15(2), 335-352.

Marjorie Gassner

Marjorie Gassner holds a Ph.D. in Mathematics from ULB, 1989. Her research mainly concerns the mathematical aspects of electoral systems, and in particular proportional representation. She teaches Mathematics. She is a member of CRISP (Centre Recherche et d'Information Socio-Politiques) and CEVIPOL (Centre d'étude de la vie Politique - U.L.B.) and the Groupe de Recherche sur l'Analyse des Choix Collectifs.

Selected work: "Human Development and Electoral Systems", *Journal of Human Development*, 2006 (with D. Ugarte & V. Verardi); *Délégations Parlementaires - Méthodes Mathématiques et Représentation (Bi)dimensionnelle*, Editions de l'Université de Bruxelles, 2000; « Bipropportional Delegations: a Solution for Two-Dimensional Proportional Representation », *Journal of Theoretical Politics*, 1991; « Two-Dimensional Rounding for a Quasi-Proportional Representation », *European Journal of Political Economy*, 1988.

Domenico Giannone

holds a Ph.D. from ULB, 2004 (see Thesis). His primary fields of interests are Time Series Econometrics, Monetary Economics and Applied Macroeconomics. His research is on the development of econometric methods to study the dynamics of large panels of time series with applications to Macroeconomics, Monetary Economics, International Economics and Forecasting.

Selected work: "Monetary Policy in Real Time", (with L. Reichlin & L. Sala), 2004, in *Macroeconomic Annals*, M. Gertler & K. Rogoff (eds), NBER; "VARs, Factor Models and the Empirical Validation of Equilibrium Business Cycle Models", 2004, (with L. Reichlin & L. Sala), *Journal of Econometrics*, 2004; "Euro area and US recessions: 1970-2003", (with L. Reichlin), in *The Euro Area Business Cycle*, L. Reichlin (ed), CEPR, 2004.

Victor Ginsburgh

holds a Ph.D. from ULB, 1972. His research areas include applied general equilibrium modelling, industrial organization and, more recently, cultural economics. He is a Faculty member of CORE, at the

Université Catholique de Louvain. He has been financial Director and co-Director to ECARES since Spring 2001.

Selected publications: *Handbook of Economics of Art and Culture*, (coeditor with D. Throsby), in preparation, Elsevier-North Holland, 2006; "Disenfranchisement in Linguistically Diverse Societies. The Case of the European Union", (with I. Ortuno-Ortin & S. Weber), *Journal of the European Economic Association*, 2005; "The Museum Pass Game and its Value", (with I. Zang), *Games and Economic Behavior*, 2003; "Expert Opinion and Compensation: Evidence from a Musical Competition", (with J. Van Ours), *American Economic Review*, 2003; "Awards, Success and Aesthetic Quality in the Arts", *Journal of Economic Perspectives*, 2003; "Absentee Bidders and the Declining Price Anomaly in Wine Auctions", *Journal of Political Economy*, 1998; *The Structure of Applied General Equilibrium Models*, (with M. Keyzer), MIT Press, paperback edition 2002.

Marc Hallin

holds a D.Sc. in Mathematics from the Université libre de Bruxelles (1976). He is on the editorial boards of the *Journal of the American Statistical Association*, the *Journal of Time Series Analysis*, *Statistical Inference for Stochastic Processes*, and the *Journal de la Société Française de Statistique*; he serves as a coordinating editor for the *Journal of Statistical Planning and Inference*. A Fellow of the Institute of Mathematical Statistics (I.M.S.), of the American Statistical Association (A.S.A.), and a Membre titulaire of the International Statistical Institute (I.S.I.), he is member of the Classe des Sciences de l'Académie Royale de Belgique.

Selected work: "Semiparametric Efficiency, Distribution-Freeness, and Invariance", (with B. Werker), Bernoulli, 2003; "Efficient Detection of Random Coefficients in AR(p) Models", (with A. Akharif), *Annals of Statistics*, 2003; "Local Linear Spatial Regression", (with Z. Lu & L.T. Tran), *Annals of Statistics*, 2004; "Rank-Based Optimal Tests of the Adequacy of an Elliptic VARMA Model" (with D. Paindaveine), *Annals of Statistics*, 2004; "Affine-invariant aligned rank tests for the multivariate general linear model with ARMA errors", (with D. Paindaveine), *Journal of Multivariate Analysis*, 2005; "The Generalized Dynamic Factor Model: One-Sided Estimation and Forecasting", (with M. Forni, M. Lippi, & L. Reichlin), *Journal of the American Statistical Association*, 2005; "Distribution-free bounds for serial correlation coefficients in heteroskedastic symmetric time series, (with A. Farhat and J.-M. Dufour), *Journal of Econometrics*, 2005, forthcoming; "Linear serial and nonserial sign-and-rank statistics: asymptotic representation and asymptotic normality, (with C. Vermandele and B. Werker); *Annals of Statistics*, 2006, forthcoming; "Optimal Rank-Based Tests for Sphericity", (with D. Paindaveine), *Annals of Statistics*, 2006, forthcoming.

Georg Kirchsteiger

holds a Ph.D. in economics from the University of Vienna (1993). He worked previously at the University of Vienna, at the CentER in Tilburg, and at the University of Maastricht. In 2000 he received the Hicks-Tinbergen Medal of the EEA (jointly with E. Fehr & A. Riedl). His main research interests are: behavioral economics, experimental economics, game theory, industrial economics, and public economics.

Selected publications: "Endogenizing Market Institutions: An Experimental Approach", (with M. Niederle & J. Potters), *European Economic Review* Vol. 49(7), October 2005, 1827-1853; "Learning to Like What You Have - Explaining the Endowment Effect", (with S. Huck & J. Oechssler), *Economic Journal*, Vol. 115, July 2005, 689-702; "A Theory of Sequential Reciprocity", (with M. Dufwenberg), *Games and Economic Behavior*, 2004; "Inefficient Equilibria in Lobbying", (with A. Prat), *Journal of Public Economics*, 2001; "Theoretically Robust But Empirically Invalid: An Experimental Investigation Into Tax Equivalence", (with R. Kerschbamer), *Economic Theory*, 2000; "Gift Exchange and Reciprocity in Competitive Experimental Markets", (with E. Fehr & A. Riedl), *European Economic Review*, 1998; "Reciprocity as a Contract Enforcement Device: Experimental Evidence", (E. Fehr & S. Gächter), *Econometrica*, 1997.

Robert Kollmann

holds a Ph.D. in Economics (1991) from the University of Chicago. He has been professor in the following universities: University of Montreal (1991-94), University of Grenoble II (1994-97), University of Paris XII (1997- on leave) and University of Bonn (1999-2004). He has been appointed at ULB since October 2006. He is member of the Econometric Society and the American Economic Association. His research focusses on macroeconomics, international finance, computational economics.

Selected Work: "A Dynamic General Equilibrium Model of International Portfolio Holdings: Comment", *Econometrica*, 2006, vol.74, pp. 269-273; "Welfare Effects of a Monetary Union: the Role of Trade

Openness", *Journal of the European Economic Association*, 2004, vol.2, pp. 289-301; "Monetary Policy Rules in the Open Economy: Effects on Welfare and Business Cycles", *Journal of Monetary Economics*, 2002, vol.49, pp. 989-1015.

Patrick Legros

holds a Ph.D. in Social Science, from the California Institute of Technology, 1989. His research interests are microeconomics, theory of contracts and organizations and antitrust policy. He was assistant professor of economics at Cornell University until 1996, professor of economics at the University of Liège (1996-1999) and has been Professor at ULB since 1999. He teaches microeconomics, industrial organization, competition policy, and the theory of contracts. Since 2001, he has been Research Director in Economics at the Institut d'Etudes Européennes. He is a Fellow of CEPR.

Selected work: "Timing Education," *Journal of the European Economic Association*, 2005, forthcoming; "Auditing and Property Rights", with (E. Iossa), *Rand Journal of Economics*, Summer 2004; "Moral Hazard and Capital Structure Dynamics", (with M. Dewatripont & S. Matthews), *Journal of the European Economic Association*, June 2003; "Monotone Matching in Perfect and Imperfect Worlds", (with A. Newman), *Review of Economic Studies*, October 2002; "Courts, Contracts and Interference", (with A. Newman), *European Economic Review*, 2002; "Wealth Effects, Distribution, and the Theory of Organization", (with A. Newman), *Journal of Economic Theory*, 1996; "Efficient and Nearly Efficient Partnerships", (with S. Matthews), *Review of Economic Studies*, 1993.

Guy Mélard

holds a Ph.D. in Statistics from ULB, 1975. His research fields include: a) statistical analysis of time series and signal processing: algorithms for identification, estimation and forecasting methods; b) models with time-dependent coefficients, non-linear models (threshold models, ARCH models), intervention models; c) development of an Expert System for Economic Forecasting: TSE (Time Series Expert); d) seasonal adjustment by signal extraction methods; e) development of a self-learning time series course; f) e-learning in general.

Selected work: *Méthodes de prévision à court terme*, Collection "Statistique et Mathématiques appliqués", Editions de l'Université de Bruxelles, Bruxelles et Editions Ellipses, Paris, 1990; "Automatic ARIMA Modeling Including Interventions, Using Time Series Expert Software", (with J.-M. Pasteels), *International Journal of Forecasting*, 2000; "An Algorithm for Computing the Asymptotic Fisher Information Matrix for Seasonal SISO Models", (with A. Klein), *Journal of Time Series Analysis*, 2004.

Abdul Noury

holds a Ph.D. from ULB, 2002. His research areas include political economy and applied econometrics. He teaches European political economy. In 2004-2005 he was a visiting scholar at the Institute of Governmental Studies of the University of California, Berkeley.

Selected work: "More Power to the European Parliament?", (with G. Roland), *Economic Policy*, 2002; "Ideology, Nationality and Euro-parliamentarians", *European Union Politics*, 2002; "Choosing Not to Choose: On the Link between Information and Abstention", (with T. Coupé), *Economics Letters* 2004.

Davy Paindaveine

holds a Ph.D. in Statistics from ULB, 2002. Between 1998 and 2002, he taught as assistant at the Mathematics Department (ULB). He is currently Assistant Professor at the Institut de Statistique et de Recherche Opérationnelle (ISRO), ULB. His main research interests are concerned with mathematical statistics, and include asymptotic and nonparametric inference, multivariate analysis, robust and invariant methods, as well as inference for stochastic processes and time series. He is also interested in applied probability, with emphasis on two-person games, sequential decision, and optimal stopping problems.

Selected work: "Selecting a Sequence of Last Successes in Independent Trials" (with F.T. Bruss), *Journal of Applied Probability*, 2000; "Optimal Tests for Multivariate Location Based on Interdirections and Pseudo-Mahalanobis Ranks" (with M. Hallin), *Annals of Statistics*, 2002; "Optimal Procedures Based on Interdirections and Pseudo-Mahalanobis Ranks for Testing Multivariate Elliptic White Noise Against ARMA Dependence" (with M. Hallin), *Bernoulli*, 2002; "Rank-based optimal tests of the adequacy of an elliptic VARMA model" (with M. Hallin), *Annals of Statistics*, 2004; "Affine-invariant aligned rank tests for the multivariate general linear model with VARMA errors" (with M. Hallin), *Journal of Multivariate Analysis*, 2005.

Lucrezia Reichlin

holds a Ph.D. in Economics from New York University, 1986. Her main fields of interest are macroeconomics and applied time series. She has led a team of researchers at the Bank of Italy who devised a real time coincident indicator for the Euro area business cycle which is published every month by the CEPR. She teaches econometrics and time series at ULB. Previously she has been visiting associate professor at the Columbia University Graduate School of Business, Deputy Director of the Research Department of the Observatoire Français des Conjonctures Économiques in Paris, research fellow at the European University Institute in Florence. She is CEPR Program co-director of International Macroeconomics, former member of the Council of the European Economic Association, chair of the scientific committee of the Euro Area Business Cycle Network, Chair of the CEPR Euro area business cycle dating committee. She has been consulting for the research department of the Federal Reserve Board of Governors, the Swiss National Central Bank, the European Central Bank and the Bank of Italy and teaching specialized advanced courses in several universities and central banks. She has been appointed as Director General Research at the European central Bank since September 2005.

Selected work: *Dynamic Factor Models for Large Panels of Time Series*, (with D. Giannone), Princeton University Press, forthcoming; "The Generalized Dynamic Factor Model: One sided estimation and forecasting", (with M. Forni, M. Hallin & M. Lippi), *Journal of the American Statistical Association*, 2005; "Factor models in large cross-section of time series", in M. Dewatripont, L. Hansen & S. Turnovsky (eds), *Advances in Economics and Econometrics: Theory and Applications*, 8th World Congress of the Econometric Society, Cambridge University Press, 2002; "Do financial variables help forecasting inflation and real activity in the Euro area?", (with M. Forni, M. Hallin & M. Lippi), *Journal of Monetary Economics*, 2004; "A Measure of Comovement for Economic Variables: Theory and Empirics", (with C. Croux & M. Forni), *Review of Economics and Statistics*, May, 2001; "Let's Get Real: a Factor Analytical Approach to Disaggregated Business Cycle Dynamics", (with M. Forni), *Review of Economic Studies*, 1998.

André Sapir

holds a Ph.D. in Economics from the Johns Hopkins University, 1977. He spent five years as assistant professor at the University of Wisconsin-Madison. He was President of the Institut d'Études Européennes (1992-1998). He is a Senior Fellow of Bruegel and a Research Fellow of CEPR. He is a Founding Editor-in-Chief of the *Journal of Industry, Competition and Trade* and a Founding Editorial Board Member of the *World Trade Review* (Cambridge University Press and World Trade Organisation). He is also a member of European Commission President Jose Manuel Barroso's Economic Policy Analysis Group. Previously, he was an Economic Adviser to European Commission President Romano Prodi (2001-2004) and Economic Advisor to the Director-General for Economic and Financial Affairs (1990-1993 and 1995-2001). His research activities include empirical, theoretical and policy work in the field of international economics, with special emphasis on economic integration, monetary union, commercial policy and North-South trade. He has published extensively in these areas.

Selected work: *An Agenda for a Growing Europe - The Sapir Report*, Oxford University Press, Oxford, 2004; *Economic Policy in EMU*, Oxford University Press, Oxford, 1998 (co-authored and edited with M. Buti); *Trade and Jobs in Europe: Much Ado about Nothing?*, Oxford University Press, Oxford, 1999 (co-authored and edited with M. Dewatripont & K. Sekkat); "Optimum Electoral Areas: Should Europe Adopt a Single Election Date?", *European Economic Review*, 1999, (with K. Sekkat); "The Political Economy of EC Regionalism", *European Economic Review*, 1998.

David Veredas

holds a Ph.D. from Université Catholique de Louvain, 2002. His research areas are divided between theoretical econometrics and empirical economics. The former are duration models, aggregation, fat tails and simulation methods. The latter are empirical market microstructure and forecasting public deficit. He is Faculty member of CORE, at UCL.

Selected work: "The Stochastic Conditional Duration Model: A Latent Factor Model for the Analysis of Financial Durations" (with L. Bauwens), *Journal of Econometrics*, 2004; "A Comparison of Financial Duration Models via Density Forecast" (with L. Bauwens, P. Giot & J. Grammig), *International Journal of Forecasting*, 2004; "Using Intra Annual Information to Forecast the Annual State Deficits. The Case of France" (with L. Moulin, M. Salto & A. Silvestrini), CORE DP 2004/48; "Estimation of Stable Distributions with Indirect Inference" (with E. Renault & R. Garcia).

Philippe Weil

has been at ULB since 1992. Prior to his coming to ULB, he studied law and political science in Paris, got his Ph.D. in Economics from Harvard University in 1985, and was assistant (1985-89) and associate professor (1989-92) at Harvard. He was director of the CEPR program on International Macroeconomics (1994-98), and is now a member of the Appointment and Executive Committees of CEPR, and a Research Associate of the NBER. He was co-Director of ECARES from 1992 to 2002. He is a member of the editorial board of the *Journal of Economic Growth* and of the *Journal of Money, Credit and Banking*. His current interests center on macroeconomics and labor market imperfections and saving under uncertainty. He is writing a macroeconomics textbook, "Macroeconomic Theory: a Primer", to be completed in 2006.

Selected work: "The Macroeconomics of Credit and Labor Markets Imperfections", (with E. Wasmer), *American Economic Review*, September 2004; "Labor Supply, Precautionary Saving and Growth," (with A. Marcet & F. Obiols), 2004; "Precautionary Saving and Consumption Smoothing Across Time and Possibilities", (with M. Kimball).

NON RESIDENT FELLOWS

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holds a Ph.D. in Economics from Harvard University, 1987. He has contributed to contract theory, the theory of organizations, the theory of endogenous growth and the economics of transition. One of his current research topics is to help improve the microeconomic foundations to various dynamic aspects of macroeconomics. He has been assistant professor at MIT, researcher at CNRS in Paris, Deputy Chief Economist at the EBRD, official fellow at Nuffield College, professor at University College London and is currently professor at Harvard University, where he teaches growth theory and contract theory. He is a fellow of the Econometric Society, laureate of the Yrjo Janhsson Prize for Economics and Programme Director of CEPR for Industrial Organization and was a member of the Council of the European Economic Association.

Erik Berglöf

holds a Ph.D. from the Stockholm School of Economics, 1991. His research focuses on financial contracting and corporate governance. In particular, he has applied theoretical insights to studies of differences between capitalist financial systems, and specific ownership and control arrangements in these countries. His recent work has also analyzed financing problems in transition economies. He is a research fellow and programme Director of CEPR ('Institutions and Economic Performance' program) and is currently director of the Stockholm Institute of Transition Economics at the Stockholm School of Economics.

Patrick Bolton

holds a Ph.D. in Economics from the London School of Economics, 1986. He was professor at Princeton University 1998-2005 and is currently at Columbia University. His contributions are in the area of corporate finance, the theory of the firm, antitrust theory, the theory of rational learning by experimentation, political economy, the economics of transition and development economics. He was Managing Editor of the *Review of Economic Studies* and a member of the Council of the European Economic Association. He is a fellow of the Econometric Society and CEPR and Editor of the *Journal of the European Economic Association*.

Christophe Croux

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Gérard Roland

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Etienne Wasmer

holds a Ph.D. from LSE (1997) and has graduated from Ecole Polytechnique (1993). He has worked on labor economics, search theory, macroeconomics and the economics of discrimination. He was professor at ECARES from 1998 to 2003. Since 2004, he has been professor at the Université du Québec à Montréal (Uqam).

POST-DOCTORAL RESEARCHERS

Maria-Caterina Bramati

holds a BA in Statistics and Economics from Università di Roma "La Sapienza" (1999), a MA in Economics and Statistics from ULB (2002) and a PhD in Statistics from ULB (2005) entitled *Some Robust Methods in the Analysis of Multivariate Time Series*, under the supervision of Davy Paindaveine and Marc Hallin. Since September 2006, she has work at INS (Institut National de Statistique), Brussels.

Miroslav Siman

Holds a MA in Probability, Mathematical Statistics and Econometrics (2002) from Charles University (Prague), and a Ph.D. in Econometrics and Operational Research (2006) from Charles University. He has been hired at ECARES for a 2-year post-doctoral fellowship. His research is in the field of time series and rank tests.

Carine Peeters

Holds a MA in Economics from ULB (2000), a DEA in Management Sciences from ULB (2002) and a Ph.D. in Management Sciences from ULB (2004). She has been Teaching Assistant in ULB (2001-2004) and Teaching Assistant (2004), BAEF Visiting Research Scholar (2004-2005) and Research Associate at Duke University (2005-2006). She has been hired in September 2006 as a post-doctoral Fellow for a 2-year period (financed by the IAP programme). Her research is in the field of Economics and Management of Innovation, Strategic Management, International Business Dynamics. She is also a member of the Centre Emile Bernheim (Solvay Business School).

Patrick Van Roy

holds a BA in Economics from ULB (2000), and an M.Phil. in Economics from the University of Cambridge (2001). He got his Ph.D. from (2006) under the supervision of Mathias Dewatripont (see thesis). His main research interests are in the field of financial stability and banking regulation.

Vincenzo Verardi

holds a Ph.D. in Economics from ULB (2003). His supervisor was Gérard Roland. He also holds a BA in Economics from ULB (1996), an M.Sc. in Econometrics from this same institution (1998). His research focuses mainly on applied political economics and development. He came back at ULB in January 2005 after being appointed as expatriate permanent expert for The KULeuven in Bolivia (Cochabamba-Universidad Mayor de San Simon) in 2003 and 2004. He is currently working at the Facultés Notre-Dame de la Paix (Namur).

Abdelilah Yadine

holds a MA in Applied Mathematics (1996) from the Université Moulay Ismail, Marocco and a DES in Statistics (1999) from ULB. He got his Ph.D. "Robustness and Efficiency of Multivariate Scatter Estimators" in 2006, under the supervision of Christophe Croux and Catherine Dehon.

DOCTORAL RESEARCHERS

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is Laurea in Economia e Commercio from Università degli Studi di Bologna (1996), holds a MSc in Economics from Université de Lausanne (1998) and an MA in Economics and Statistics from ULB (2000). Research: financial markets; supervisor: Mathias Dewatripont. Since August 2002, he has been at the Bank of Italy.

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Martha Banbura

holds a MSc in Mathematics and Statistics from Technical University of Wroclaw (2002) and is currently in the ECARES doctoral program in Economics and Statistics; supervisor: Christine De Mol.

Laurent Bouton

holds a BA (2004) and Master Degree in Economics from ULB (2006). His research interests are mainly Public and Political Economics. His supervisor is Paola Conconi.

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holds a B.Sc. in Economics, Quantitative Economics (2002) from the Universidad Complutense in Madrid. She completed the Advanced Studies Program in International Economic Policy Research at the Kiel Institute for World Economics (2004) and worked at the the Policy Support Department of the European Investment Bank during 2005. Her research focuses on trade policies and technology diffusion, supervisor: André Sapir.

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holds a degree in Economics from "Università G. D'Annunzio" in Pescara, Italy (2001), and an MA in Economics and Statistics from ULB (2003). His research focuses on industrial organization, and effects of competition on microfinance markets.

Delphine Cassart

holds a BA in Mathematics from ULB (2001), a Master of Science in Biostatistics from LUC (2002) and a Master in Economics and Statistics from ECARES, ULB (2004). Research: Parametric and nonparametric test of (multivariate) symmetry; supervisors: Marc Hallin & Davy Paindaveine.

Carlos Castro

has a B.A. in Economics from the Universidad de los Andes, Colombia (2000). He is currently finishing the Master in Economics and Statistics at the ULB and starting the first year of the Doctoral School. His research interests are: Applied Econometrics and Risk Modelling, supervisor: David Veredas.

Cédric Ceulemans

holds a BA in Economics from Université catholique de Louvain (UCL, 2003) and an MA in Economics from ULB (2005). His research focuses on cultural economics; supervisors: Victor Ginsburgh & Patrick Legros.

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Jacopo Cimadomo

holds a BA in Economics Monetary and Financial Area from Università Luigi Bocconi (1999) and an MA in Econometrics and Statistics from ULB (2002). Research: the transmission mechanism for fiscal and monetary policies in the Euro-area and the US; supervisor: Lucrezia Reichlin. Since Summer 2004, he has been fellow at CEPII (Paris).

Laura Coroneo

Is a second year Ph.D. student in Economics. She holds a degree in Economics from the University of Bologna (2003) and a Master in Economics and Statistics from ULB (2005). Her research focuses on Financial Econometrics; supervisor: David Veredas.

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holds a BA in Statistical and Economic Sciences from Università degli Studi di Roma "La Sapienza" (1998), a MA in Economics from Università Luigi Bocconi (1999) and an MA in Econometrics and Statistics from ULB (2001). Research: macro-finance; supervisor: Lucrezia Reichlin. He has been a fellow at the Ente Luigi Ainaudi Institute (Rome) since Spring of 2004.

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holds a BA in Economics from ULB (2001). He is currently involved in the doctoral program in Economics at ULB. Research: Labor market in developing countries; supervisor: Etienne Wasmer.

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holds a BA in Economics from Universidad de Salamanca (2002) and a Master in Economics and Statistics from ULB (2003). He has been an intern in the Business Cycle Department at the Kiel Institute of World Economics and worked as a consultant at the European Central Bank (Econometric Modeling Division). Research: Structural models, Evaluation and Forecasting with Bayesian techniques; supervisor: Lucrezia Reichlin.

Nicolas Gothelf

holds a BA in Economics (2002) and an MSc in Economic Analysis (2003) from ULB. Research: electronic trading platforms and information development on computer-based systems: implications from dematerialized goods and modified-time-structure approach, supervisor: Estelle Cantillon.

Denis Herbaux

holds a BA in Economics from ULB (2003). He is currently undertaking an MSc in Economics while teaching undergraduate classes in Mathematics and Introductory Economics.

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holds a MA in Business science (2006) from the University of Vienna. She has been hired at ECARES a 24-month doctoral student in the framework a RTN contract. Her research focusses on finance and corporate governance.

Gisèle Hites

holds a BA in Economics from ULB (1995), an MSc in Econometrics and Mathematical Economics from the London School of Economics (1996), and a MSc in Economics for Development from the University of Oxford (1997). Research: methodology of Markov chain model applications in economics; determinants of female participation in the labor force; supervisor: Etienne Wasmer.

Alexandre Janiak

holds a BA in Econometrics from the Université des Sciences et Technologies de Lille (2002), and an Msc in Economics and Statistics from the Université Libre de Bruxelles (2003). He is currently enrolled in the PhD program at Ecares and his research interests are mainly the macroeconomics of labor market and international trade, with some emphasis on empirical issues. Supervisor: Etienne Wasmer.

Joachim Keller

holds a Master in Economics from Mannheim University (2002) and a Master in Economics and Statistics from ULB (2003). Since 2003, he has been a doctoral student at ECARES. His research fields are the organization of innovation and the economics of state aid control, supervisor: Patrick Legros.

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holds a BA in Economics from Università Luigi Bocconi, Milano (1998) and an MA in Economics and Statistics from ULB (2001). Research: monetary and financial economics; supervisor: Lucrezia Reichlin & Philippe Weil. He has been visiting the European Central Bank since October 2004.

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Roman Liska

holds a BA in Mathematics of Charles University (Prague) and an MA in Economics and Statistics from ULB (2001). Research: large panels of time series data; supervisor: Marc Hallin.

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holds a BA in Management (Ingénieur commercial) from the Université Catholique de Louvain, Belgium (1998), a Master degree in Management from the Université Catholique de Louvain, Belgium (2001) and a Master degree in Economics from ULB (2005). He worked for Deployments Factory S.A. in Brussels for four years as Project Manager and he is still member of the Company Board. He research interests are mainly Macroeconomics and Finance; supervisor: Philippe Weil.

Anne Michels

holds a BA in Economics (2003) and an MA in Economics (2004) from ULB. Research: pensions and political economy; supervisor: Micael Castanheira.

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holds a BA in Economics from Università Luigi Bocconi (2003) and is currently enrolled in the PhD program in Economics and Statistics of ECARES. Research: Macroeconometrics of large panels of time series; supervisor: Lucrezia Reichlin.

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holds a BA in Economics from Universidade Nova de Lisboa (2002), and a Master in Economics and Statistics from ULB (2004). Research: Topics in Aggregation: Risk Sharing, Income Distribution and the Business Cycle; supervisor: Lucrezia Reichlin.

Francesca Monti

holds a degree in Engineering from the Politecnico of Milan (2002) and will soon discuss a paper in order to obtain a MA in Econometrics and Statistics from ULB. She has also been an intern at the European Central Bank in the Monetary Policy Strategy Division for a year (2003-2004). Her research interests are econometrics, macroeconomics and monetary economics; supervisors: Philippe Weil & Domenico Giannone.

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Laura Padilla

holds a Master in Mathematical Economics & Econometrics (2003) from University of Toulouse 1, and a European Degree in "Economie Quantitative Approfondie" (2004) from the University of Toulouse 1. She is currently working on a thesis in Mathematical & Quantitative Economics under the supervision of Guido Friebel. She has been hired as a one-year doctoral fellow in the framework of a RTN contract.

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holds a BA in Economics from Università di Bologna (1998), an MA in Economics from Università Luigi Bocconi (1999) and an MA in Econometrics and Statistics from ULB (2001). Since July 2004 he has appointed at Fondazione CERM. Research: financial aspects of the economics of innovation; supervisors: Mathias Dewatripont and Michele Cincera (DULBEA, ULB).

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holds a BA in Economics from the ULB (2005), and is currently achieving a MA in Economics and Statistics at the ULB. His research interest is financial econometrics

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holds an MSc in Management and Marketing from Technical University Wroclaw, 2001. Research: macroeconomics and finance; supervisors: Lucezia Reichlin and Philippe Weil. He is currently involved in the Econometrics and Statistics doctoral program at ECARES.

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holds a Doctorandus degree from the University of Maastricht (2002). Research: the integration of a broader model of human behaviour into economic theory; supervisor: Georg Kirchsteiger.

Biagio Speciale

is Laurea in Economics from Università degli Studi di Catania (2001) and holds an MA in Economics and Statistics from ULB (2003). Research: economics of education; supervisor: Mathias Dewatripont.

Hiroyuki Taniai

holds a BA in Economics (2002) and a Master in Engineering (2004), both from Osaka University. Research: asymptotics of quantile and rank statistics applied to financial time series; supervisor: Marc Hallin.

Lidia Tsyganok

holds a BA in Economics from ULB (2001). Research: the components of political systems and their applications to EU institutions; supervisor: Mathias Dewatripont.

Thomas Verdebout

Holds a Master in Mathematics (2005) from ULB and a DEA in Statistics (2006) from ULB. He is currently working on his thesis "Semiparametric Common Principal Components", under the supervision of Davy Paindaveine and Marc Hallin.

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holds a BA in Economics (1997) and an MA in Economics (1999) from Università Luigi Bocconi, and a MA in Econometrics and Statistics from ULB (2001). She awarded the Joseph de la Vega Prize for the Emerging Markets in June 2003, for the research entitled "Block Trades and the Benefits from Control in Slovenia" (with A. Gregoric). Research: understanding financial architecture; supervisor: Marco Becht.

Alexis Walckiers

holds a BA in Economics (2000) and an MA in Economics (2002) from ULB. Research: the economics of universities; supervisor: Mathias Dewatripont.

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PUBLICATIONS AND WORKING PAPERS

ECARES FELLOWS

Marco Becht

Becht M., P. Bolton & A. Roëll, (2006), "Corporate Governance and Control", in *Handbook of Law and Economics*, edited by S. Shavell & M. Polinski, North-Holland, *forthcoming*

Becht M., (2006), "Reciprocity in Corporate Takeovers, in U. Bernitz (ed), *Modern Company Law for a European Economy*, Stockholm : Norstedts Juridik.

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Estelle Cantillon

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Micael Castanheira de Moura

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Paola Conconi

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Julio Davila

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Griselda Deelstra

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Catherine Dehon

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Christine De Mol

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Mathias Dewatripont

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Dewatripont M., V. Ginsburgh, P. Legros, A. Walckiers, J-P Devroey, M. Dujardin, F. Vandooren, P. Dubois, J. Foncel, M. Ivaldi, & D. Heusse, *Study on the economic and the technical evolution of the scientific publication market in Europe*, European Commission, 2006.

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Marjorie Gassner

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ECARES DOCTORAL SCHOOL

Chair : Georg Kirchsteiger, David Veredas and Philippe Weil.

The Doctoral school at ECARES offers advanced courses in economics, econometrics and statistics as well as three weekly seminars, two in economics and one in statistics/econometrics. The courses, taught by ECARES fellows and visitors from other universities, are part of the curriculum of the D.P.E.S. (Doctoral School in Economics and Statistics) and the D.P.E (Doctoral School in Economics) granted by the Université Libre de Bruxelles.

ECARES is now joining forces with CORE from the UCL in Louvain, to ultimately create a unified center ECORE (European Center For Research in Economics). We already have common courses and common seminars.

The Université Libre de Bruxelles is part of the European Doctoral Program ENTER network. The label "European Doctorate - ENTER network" can be obtained if the student spends at least 6 months in one of the Universities of the network: Barcelona (Universidad Autonoma), London (University College), Mannheim (Universität Mannheim), Tilburg (Tilburg University), Stockholm (Stockholm University) or Toulouse (Université des Sciences Sociales).

Beside courses offered at ECARES, the students belonging to the doctoral school can register for doctoral courses offered by Université Catholique de Louvain in Louvain-la-Neuve and Facultés Universitaires Notre-Dame de la Paix in Namur.

Here is the list of the visiting professors and courses they taught in 2006:

Antonio Estache (World Bank) & **Sergio Perelman** (Université de Liège): "Productivity Measurement for the Regulation of Infrastructure Monopolies".

Jean Hindriks (CORE, Université Catholique de Louvain): "Topics in Political Economics", joint with Micael Castanheira (ECARES).

Frank Verboven (Katholieke Universiteit Leuven): "Empirical Industrial Organization", joint with Estelle Cantillon (ECARES).

Raf Wouters (National Belgian Bank): "Macroeconometrics", joint with Domenico Giannone (ECARES).

For more details on the Doctoral School go to our website ECARES.ORG.

DOCTORAL DISSERTATIONS

Bruno Deschamps

Title: *Essays on Strategic Forecasting and Hyperbolic Discounting.*

Directors: Mathias Dewatripont & Victor Ginsburgh

1. Strategic Forecasting among Experts: this paper analyzes the strategic forecasting behavior of financial analysts and other experts. Contrary to the existing models, we do not assume that all events are equally easy or difficult to forecast. We find that when experts are paid according to their reputation, they bias their forecasts in direction of the events which are relatively easy to forecast for good experts and difficult to forecast for bad experts. As a result, experts anti-herd the consensus forecast, i.e. they release forecasts that excessively contradict the public information. This model also predicts that experienced experts release less conservative forecasts than young ones. These results are consistent with recent empirical evidence.

2. Why Asking Why? Strategic Forecasting and Herding Behavior: It is empirically established that macroeconomic and financial forecasts are biased. In this paper, we show that the size of this bias can be reduced significantly by asking to the forecasters to detail their forecasts. In a simple career concern model, we indeed find that multivariate (i.e. detailed) forecasts increase the incentive to release truthful forecasts and reduce the herd behavior incentives. As a result, truthtelling is more likely to occur when forecasts are detailed.

3. Partial Naivety and Self-Control: In a simple procrastination model, we analyze the intertemporal tradeoffs of a procrastinator who is partially unaware of his self-control problems. Contrary to fully naive or sophisticated agents, he does not know whether his is time-inconsistent or not. This uncertainty allows him to learn with time whether he is time-inconsistent or not by observing his past behavior. We find that this learning process incites the agent to behave inefficiently. Specifically, we first show that the anticipation of future learning allows the agent to procrastinate more in the present. Second, it turns out that he manipulates his future beliefs by picking a sophistication enhancing behavior. We finally show that pessimistic agents perform better than realistic ones and that ignorance can be preferred to learning.

Marina Emiris

Title: *Essays on Macroeconomics and Finance.*

Director: Lucrezia Reichlin

The convergence of European economies in view of the European Monetary Union together with increasingly common dynamics in currency and equity returns suggest that capital markets are at least partially integrated. In my first paper, I use a dynamic factor analytical model for the returns on currency and stock portfolios, on eight European markets to measure the degree of integration and examine its evolution from 1979 until 1997. The asset pricing model is characterised by time-varying risk premia, and constant betas and return variances and takes into account predictability by forward premia and dividend yields. I find that the degree of integration for equity markets has increased in the nineties but that this is mainly due to an increase in the premium for extra-European currency risk and that the sources of comovement lie only in part in the US equity markets.

In my second paper, I investigate empirically whether and how a liquidity shortage in the American or European money market may affect European bond and stock pricing. I use the Liquidity Asset Pricing Model of Holmström and Tirole (1998): Based on the idea that fixed income securities embody an option-like liquidity service, they develop a model in which the price of a fixed income security depends on the state of liquidity. When there is a high probability of a liquidity shortage, the option is "in the money" and its price is sensitive to news about the future. When the probability of liquidity shortage is sufficiently low, the price of the option goes to zero and does not respond much to news.

Patrick Van Roy

Title: *Essays on the Economics of Banking and the Prudential Regulation of Banks.*

Director: Mathias Dewatripont

This thesis consists of four independent chapters on bank capital regulation and the issue of unsolicited ratings. The first chapter is introductory and reviews the motivation for regulating banks and credit rating agencies while providing a detailed overview of the thesis.

The second chapter uses a simultaneous equations model to analyze how banks from six G10 countries adjusted their capital to assets ratios and risk-weighted assets to assets ratio between 1988 and 1995, i.e., just after passage of the 1988 Basel Accord. The results suggest that regulatory pressure brought about by the 1988 capital standards had little effect on both ratios for weakly capitalized banks, except in the US. In addition, the relation between the capital to assets ratios and the riskweighted assets to assets ratio appears to depend not only on the level of capitalization of banks, but also on the countries or groups of countries considered.

The third chapter provides Monte Carlo estimates of the amount of regulatory capital that EMU banks must hold for their corporate, bank, and sovereign exposures both under Basel I and the standardized approach to credit risk in Basel II. In the latter case, Monte Carlo estimates are presented for different combinations of external credit assessment institutions (ECAIs) that banks may choose to risk weight their exposures. Three main results emerge from the analysis. First, although the use of different ECAIs leads to significant differences in minimum capital requirements, these differences never exceed, on average, 10% of EMU banks' capital requirements for corporate, bank, and sovereign exposures. Second, the standardized approach to credit risk provides a small regulatory capital incentive for banks to use several ECAIs to risk weight their exposures. Third, the minimum capital requirements for the corporate, bank, and sovereign exposures of EMU banks will be higher in Basel II than in Basel I. I also show that the incentive for banks to engage in regulatory arbitrage in the standardized approach to credit risk is limited.

The fourth and final chapter analyses the effect of soliciting a rating on the rating outcome of banks. Using a sample of Asian banks rated by Fitch Ratings, I find evidence that unsolicited ratings tend to be lower than solicited ones, after accounting for differences in observed bank characteristics. This downward bias doesnot seem to be explained by the fact that better-quality banks self-select into the solicited group. Rather, unsolicited ratings appear to be lower because they are based on public information. As a result, they tend to be more conservative than solicited ratings, which incorporate both public and non-public information.

Abdelilah Yadine

Title: *Robustnes and Efficiency of Multivariate Scatter Estimators.*

Directors: Catherine Dehon & Christophe Croux

Multivariate statistical methods are used in many fields: in medicine, in economic sciences, in social sciences and other. The classical techniques are very sensitive to outliers that a data could contain. In order to avoid that, new robust methods were defined. In this context, our goal is to develop new multivariate statistical methods by defining new estimators with good properties of robustness.

SELECTED ECARES ACTIVITIES

CONFERENCES AND WORKSHOPS

Challenges of Multi-Lingual Societies

Conference held at ULB on June 9-10, 2006, and organized in the framework of the collaboration with CORE (UCL). Scientific Organization: **Estelle Cantillon** (Fonds National de la Recherche Scientifique & ECARES), **Jacques Crémer** (IDEI, Université de Toulouse), **Victor Ginsburgh** (ECARES and CORE, Université catholique de Louvain), **Ignacio Ortuno-Ortin** (University of Alicante), **Philippe Van Parijs** (Chaire Hoover, Université catholique de Louvain), **Shlomo Weber** (CORE, Université catholique de Louvain).

SESSION on Linguistic Policies in International Organizations 1

The Policy of Multilingualism in the EU: Challenges and Constraints, by **Juhani Lönnroth** (Director General, DG Translation, EU).

International Organizations: Politics versus Actual Communication Needs, by **Sergio Viaggio** (United Nations, Vienna).

SESSION on Linguistic Policies in International Organizations 2

The Language Predicament of the EU, by **Abram De Swaan** (University of Amsterdam).

On the Choice of Official Languages in the EU, by **Jan Fidrmuc** (Brunel University, London).

SESSION on Languages and Economics

Languages and the Theory of the Firm, by **Jacques Crémer** (IDEI, Université de Toulouse),

Returns to Languages in EU Labor Markets, by **Juan Prieto** (Universidad Oviedo).

SESSION on Diversity, Efficiency and Fairness

Two Measures of Linguistic Distance, and One Measure of Genetic Distance: Some Comparisons, by **James Fearon** (Stanford University).

Linguistic Diversity: What Is It and Does It Matter?, by **Philippe Van Parijs** (Université catholique de Louvain and Harvard University).

Forms of Multilingual Communication: Review of Claims of Efficiency and Fairness, by **François Grin** (Université de Genève).

SESSION on Nationalism and the Treatment of Minorities

Linguistic Nationalism as a Consumption Item, by **David Laitin** (Stanford University).

Peripheral Linguistic Diversity and Redistribution, **Klaus Desmet** (Universidad Carlos III, Madrid).

SESSION on Bilingual Education

Unilingual versus Bilingual Education Systems: a Political Economy Analysis, by **Javier Ortega** (IDEI, Université de Toulouse),

Trends in Higher Education Language Policy in Europe: The Case of English as a Language of Instruction, by **Ian Tudor** (Université Libre de Bruxelles).

SING Conference – The Contribution of Science to Growth

Held in Brussels on December 11, 2006 and sponsored by the Belgian Federal Government, PAI Project P5/26 and organized by **Mathias Dewatripont** and Reinhilde Veugelers (European Commission, Katholieke Universiteit Leuven) and CEPR.

Introduction by **Reinhilde Veugelers** (BEPA-EC, KUL, CEPR and SING Member).

The Contribution of Science to Growth, by **Philippe Aghion** (Harvard University and CEPR) & Mathias Dewatripont (ULB and CEPR)

Industry Science Links from the Perspective of Science, by **Mark Schankerman** (London School of Economics and CEPR)

Industry Science Links from the Perspective of Industry, by **Bruno Cassiman** (IESE, Barcelona and CEPR)

Technology Transfer Mechanisms: TTOs, science parks, ..., by **Don Siegel** (University of California at Riverside)

IPR and Industry Science links: lessons from Bayh-Dole, by **Bronwyn Hall** (University of California at Berkeley)

Speech by **Janez Potocnik**, EU Commissioner for Research

PANEL SESSION on *Science Policy within the EU Lisbon Agenda*, with **Janez Potocnik** (European Commission), **Bart De Moor** (KUL and CAB Flemish President), **Philippe Busquin** (EU Parliament, former EU Commissioner for Research), **Mathias Dewatripont** (ULB, CEPR and ERC Sc Council)
Moderator: **Reinhilde Veugelers** (EC-BEPA, KUL and CEPR).

International Conference on The Millenium Development Goals – Assessment and Perspectives

Held in ULB on on November 30 and December 1st, 2007, sponsored by the Belgian Federal Government, PAI Project P5/26 and organized by Françoise Thys Clément (former Rector of ULB), Mathias Dewatripont and André Sapir were among the members of its scientic committee

INTRODUCTION

Chair: **Philippe Vincke** (Rector of ULB), **Françoise Thys-Clément** (ULB) & **Hans Van Ginkel** (Rector of the United Nations University).

SESSION 1: Education and Development

Introductory Report, by **Andreu Mas-Colell** (Universitat Pompeu Fabra)

Comments, by **Gilles Breton** (Ottawa University), **Firouzeh Nahavandi** (ULB) & **Bernard Lux** (Rector of Université Mons-Hainaut).

SESSION 2: Security and Development

Chair: **Peter Katjavivi** (Chair of United Nations University Council, Ambassador of Namibia to the EU & former Vice-Cancellor of University of Nambbia).

Introductory Report, by **Ramesh Thakur** (United Nations University, Senior Vice-Rector)

Comments, by **Jean Daudelin** (Norman Patersson School of International Affairs, Ottawa), **Marta Martinelli** (ULB) & **Luk Van Langenhove** (Director of UNU-CRIS).

SESSION 3: Development and Economics

Chair: **Mathias Dewatripont** (ULB)

Introductory Report, by **Debarati Guha-Sapir** (Université Catholique de Louvain)

Comments, by **Deepak Nayyar** (Chariman of the Board of UNU-WILDER & Vice-Cancellor of Dehli University), **Vincenzo Verardi** (ULB), **Francine Mestrum** (ULB) & **Luc Soete** (Director of UNU-MERIT).

CONCLUSIONS, by **Han Van Ginkel**, (Rector of UNU).

Chair: **Jean-Louis Vanherweghem** (President of ULB)

ECARES RESEARCH SEMINARS

Economics

Gani Aldashev (Facultés Universitaires Notre-Dame de la Paix, Namur et Université Catholique de Louvain): *NGO Competition and the Markets for Donations to Development*.

Enriqueta Aragones (Universitat Autònoma de Barcelona): *Participatory Democracy Understanding the Case of Porto Alegre*, joint with S. Sanchez-Pages.

Lionel Artige (Universitat Pompeu Fabra and UAB): *On Dictatorship, Economic Development and Stability*.

Giuseppe Bertola (Università di Torino): *Offshoring and Immigrant Employem: Firm-Level Theory and Evidence*.

Monika Büttler (Universität St Gallen): *Framing Effects in Political Decision Making Evidence from a Natural Voting Experiment*.

Luis Cabral (Stern Business School, New York University): *A Theory of price Signaling and Diffusion*.

Juan José Dolado (Universidad Carlos III): *Do Men and Women Economists Choose the Same Research Fields? Evidence from Top 50 Departments*.

Jan Eeckhout (University of Penssylvania): *Employer Learning and General Human*.

Giovanni Facchini (University of Illinois): *Individual Attitudes towards Immigrants: Welfare-State Determinants Across Countries.*

Harald Fadinger (Universitat Pompeu Fabra): *Development Accounting in a Heckscher-Ohlin World.*

Simon Gächter (University of Nottingham): *Performance Incentives and the Dynamics of Voluntary Cooperation.*

Philipp Hatmann (European Central Bank): *A Cross-Atlantic Perspective.*

Esteban Klor (Hebrew University of Jerusalem): *Public Opinion Polls and Voters' Turnout.*

Eliana La Ferrara (Bocconi University): *Using Financial Markets to Detect Illegal Transactions: the Case of the Arms,* joint with S. Della Vigna.

Jean-François Laslier (Ecole Polytechnique): *Strategic Approval Voting in a Large Electorate.*

John Londregan (Woodrow Wilson School, Princeton University): *Voting as a Credible Threat.*

Eric Maskin (Princeton University): *Sequential Innovation Patents, and Inflation.*

Julia Nafziger (University of Bonn): *Intermediate Information in Multiple Agent Moral Hazard Problems.*

Andrew Newman (Boston University): *Smithian Growth through Creative Organization.*

Saltuk Ozerturk (Southern Methodist University and CORE): *Implications of Managerial Hedge Markets for Firm Value Maximization.*

Elena Panova (Université Catholique de Louvain): *Congruence Among the Voters and Contributions to Political Campaigns.*

Torsten Persson (International Economic Studies Stockholm University): *Democratic Capital: the Nexus of Political and Economic Change,* joint with Guido Tabellini.

Régis Renault (Université de Cergy-Pontoise): *Comparative Advertising.*

Gérard Roland (Berkeley University): *Civil Society and Institutional Change: The Great Transition.*

Georges Siotis (Universidad Carlos III): *Computing Abuse Related Damages in the Case of New Entry: an Illustration for the Directory Enquiry Services Market.*

Janne Tukiainen (University of Helsinki): *Testing for Common Costs in the City of Helsinki Bus Transit Auctions.*

Frank Verboven (Katholieke Universiteit Leuven): *Entry and Regulation-Evidence from Health Care Professions.*

Nir Vulkan (Said Business School, Oxford University): *Dynamic Matching and Bargaining: The Role of Deadlines.*

Martin Weitzman (Harvard University): *Risk Uncertainty, and Asset Pricing « Antipuzzles ».*

Joseph Zeira (Hebrew University of Jerusalem): *Machines as Engines of Growth.*

Econometrics and Statistics

Luc Bauwens (Université Catholique de Louvain): *Regime Switching GARCH Models.*

Andreas Christmann (Vrije Universiteit Brussel): *Empirical Risk Minimization with Applications to Insurance Data.*

Christophe Croux (Katholieke Universiteit Leuven): *Robust Standard Errors for Robust Regression Estimators.*

Emmanuel Dhyne (National Bank of Belgium): *Lumpy Price Adjustments: A Microeconomic Analysis.*

Gabriel Frahm (University of Köln): *Applicability of Random Matrix Theory Given the Stylized Facts of Empirical Finance.*

Erich Haeusler (Justus-Liebig-Universität Giessen): *Estimation of Distribution Functions under Auxiliary Information.*

Peter Hansen (Stanford University): *Model Confidence Sets for Forecasting Models.*

Michiel Keyzer (Vrije Universiteit Amsterdam): *Support Vector Regression and Classification: an Introduction.*

Don Kim (Federal Reserve Board): *Term Structure Estimation with Survey Data on Interest Rate Forecasts.*

Alexander McNeil (Heriot-Watt University Edinburgh): *Statistical Inference for Dependent Defaults and Credit Migrations.*

Mika Meitz (Stockholm School of Economics): *Ergodicity, Mixing and Existence of Moments of a Class of Markov Models with Applications to GARCH and ECD Models,* joint with Pentti Saikkonen.

Alexei Onatski (Columbia University): *Random Matrix Approach to High Dimensional Factor Models.*

Marc Paoletta (University of Zurich): *Stable Mixture GARCH Models*.

Sergio Pastorello (University of Bologna): *Estimation of Objective and Risk-Neutral Distributions Based on Moments of Integrated Volatility*.

Valentin Patileo (ENSAI, Rennes): *Breaking the Curse of Dimensionality in Nonparametric Testing*.

Olivier Scaillet (HEC Genève): *Tikhonov Regularization for Functional Minimum Distance Estimators*.

Allan Timmermann (University of California, San Diego): *How Quickly is Macroeconomic Uncertainty Resolved? Theory and Empirical Evidence from the Term Structure of Forecast Errors*.

Fabio Trojani (University of St Gallen): *Robust Semiparametric Bootstrap Methods for Value at Risk Prediction under GARCH-Type Volatility Processes*.

Economics of Arts

Virginie Devillez (Mussées royaux des Beaux-Arts de Belgique): *L'art 'contextuel' en Belgique autour des années 1968*.

Dario Gamboni (Geneva University): *Le musée comme oeuvre d'art*.

Nathalie Heinich (Centre National de la Recherche Scientifique & Ecole des Hautes Etudes en Sciences Sociales, Paris): *L'élite artistique. Excellence et singularité en régime démocratique*.

Jean-Michel Tobelem (Directeur d'Option Culture): *Les sites culturels au miroir de la gestion*.

Jean-Philippe Uzel (University of Quebec, Montreal): *Le « public » en question*.

Internal Seminars

Natalie Chen: *The Dynamics of Trade and Competition*, joint with Jean Imbs & Andrew Scott.

Jacopo Cimadomo: *Time-Varying Fiscal Policy Spillovers in the Euro-Area*.

Paola Conconi: *Does Migration Empower Married Women ?*.

Laura Coroneo: *Intradaily Seasonality of Returns Distribution: a Quantile Regression Approach and Intradaily VaR Estimation*.

Nicolas Gothelf: *Information Revelation in an English Auction*.

Laura Padilla: *The Labor Effects of product Market Deregulation: Evidence from US Class – Railroads: 1981 to 2001*.

Carine Peeters: *Offshoring and Globalization of Human Capital: the Emergence of a New Form of Internationalization Strategy?*.

Alexander Siebald: *Investments into Education – Doing as Our Parents Did !*.

Alexandre Janiak: *Social Capital, Geographical Mobility and Unemployment in Europe*, joint with Etienne Wasmer & Quentin David.

Paulo Santos Monteiro: *Family Labor Supply, Precautionary Behaviour, Aggregate Saving and Employment*.

Biagio Speciale: *Remittances and Public Spending on Education*, joint with Christian Dustmann.

ECORE SEMINARS

Marco Becht (ECARES): *Corporate Mobility and the Costs of Regulation*.

Estelle Cantillon (ECARES): *Strategic Behavior in Assignment Problems : Theory and Evidence*.

Julio Davila (ECARES, Centre d'Economie de la Sorbonne & University of Pennsylvania): *Bargaining Over Public Goods*.

Catherine Dehon (ECARES): *Outliers in Regression : Detection and Treatment*.

François Maniquet (CORE): *Sharing the Cost of a Public Good : An Incentive-Constrained Axiomatic Approach*.

Vincent Vannetelbosch (CORE): *Stable Networks*.

Xavier Wauthy (CORE): *Entry under Capacity Limitation and Vertical Differentiation*.

ECORE-KUL SEMINARS

Norman Swanson (Rutgers University, NY): *Simulation Based Specification Testing and Predictive Density Based Model Selection for Diffusion Processes*.

Allan Timmermann (UC San Diego): *How Quickly is Macroeconomic Uncertainty Resolved? Theory and Empirical Evidence from the Term Structure of Forecast Errors.*

JOINT NBB – CES, KUL – ECARES, ULB – UCL SEMINARS

Jean-Pierre Danthine (Swiss Finance Institute & University of Lausanne): *The Macroeconomic Consequences of Reciprocity in Labor Relations.*

Martin Eichenbaum (Northwestern University): *The Returns to Currency Speculation.*

Harald Uhlig (Humboldt University Berlin, Deutsche Bundesbank & Tilburg University): *Macroeconomics and Asset Markets: Some Mutual Implications.*

VISITORS

Philippe Aghion, Harvard University
Rabah Amir, University of Arizona
Simon Anderson, University of Virginia
Enriqueta Aragonés, Universitat Autònoma Barcelona
Lionel Artige, Universitat Autònoma Barcelona
John Asker, New York University
Patrick Bolton, Columbia University
Eric Budisch, Harvard University
Natalie Chen, Warwick University
Benoît Crutzen, Erasmus University, Rotterdam
Russell Davidson, McGill University
Julio Davila, CNRS & University of Pennsylvania
Antonio Estache, The World Bank
Olivier Gergaud, Université de Reims
Jean Hindriks, Université Catholique de Louvain
Simon Hix, London School of Economics
Samir Jahjah, Fond Monétaire international
Nikolau Kleopatra, University of Warwick
Nicolas Konstandinidis, Princeton University
Mikko Leppamäki, University of Helsinki
John Londregan, Princeton University
Andrew Newman, Boston University
Hannu Oja, University of Tampere
Sergio Perelman, Université de Liège
Gérard Roland, University of Berkeley
Nicolas Sahuguet, HEC Montreal
Andrea Silvestrini, University of Perugia
Georges Siotis, Universidad Carlos III, Madrid
Konrad Stahl, University of Mannheim
Sergey Stepanov, New School of Economics, Moscow
Patrick Waelbroeck, ENST, Paris
Pai-Ling Yin, Harvard Business School

RESEARCH CONTRACTS AND GRANTS

BELGIAN SOURCES

Actions de Recherche Concertées (ARC)

Christophe Croux, Mathias Dewatripont, Patrick Legros and Gérard Roland are currently promoters of a research contract on *L'économie politique de l'organisation des Etats et des systèmes électoraux: théorie et étude empirique* (October 2000-September 2005).

Christine De Mol, Marc Hallin and Lucrezia Reichlin are currently promoters of a research contract on *Prévisions dans un contexte riche en données: applications financiers et macroéconomiques* (October 2002-September 2007).

Pôles d'Attraction Interuniversitaire (PAI)

Mathias Dewatripont is currently coordinator of a PAI contract on *Universities and Firms: A Comparative Analysis of the Interaction Between Market Processes, Organizational Strategies and Governance*. Participants at ULB include Françoise Thys-Clément and Luc Wilkin. The associated partners are the Katholieke Universiteit Leuven, Université de Mons-Hainaut, Facultés Universitaires Saint-Louis, Universiteit Antwerpen, Facultés Universitaires Catholiques de Mons and Université des Sciences Sociales, Toulouse (January 2002-December 2006).

Marc Hallin is currently promoter of a PAI contract on *Statistical Techniques and Modeling for Complex Substantive Questions with Complex Data*. Other participants at ECARES included **Christine De Mol, Guy Mélard & Lucrezia Reichlin**. The coordinator and the partners are the Université Catholique de Louvain, Katholieke Universiteit Leuven, Limburgs Universitair Centrum, Rheinisch-Westfälische Technische Hochschule Aachen, Université Joseph Fourier-Grenoble (January 2002-December 2006).

FNRS

Several members of ECARES have received funds from the FNRS to pursue their research: **Estelle Cantillon, Micael Casntaheira & Paola Conconi**.

Mathias Dewatripont has received funds from FNRS in the framework of the organization of the conference on the *Economics of Art and Culture* in honour of Victor Ginsburgh, held in June 2005 (see ECARES Activities for details).

Belgian National Bank

Catherine Dehon, Georg Kirchsteiger and David Veredas have received funds in 2005-2006 from the Belgian National Bank to pursue their research.

Chaire Bernard Van Ommeslaghe

The goal of this Chaire is to finance activities on the liberalization and regulation of markets. In 2004 the principal project was:

- the hiring of Nicolas Sahuguet, post-doctoral researcher (01.11.04-31.08.05);
- two workshops have been organized in January and February 2005: a) *The Political Economy of Liberalization of Public Services*; b) *European Competition Policy in a Transatlantic Perspective* (for both workshop see ECARES Activities for details).

FORTIS Bank

Mathias Dewatripont is currently promoter of a contract with FORTIS Bank, which has financed Griselda Deelstra in the past and will finance economic activities in the future.

EUROPEAN SOURCES

Marie Curie Individual Fellowship

Mathias Dewatripont was promotor of the project *Institutional Foundations of Economic and Political Developments in Post-Communist Countries*. Post-doctoral researcher: Jan Fidrmuc (January 2003 – January 2005).

Research Training Network (RTN)

Mathias Dewatripont is the scientist in charge for ECARES in the network *European Corporate Governance Training Network (ECGTN)* (October 2004-September 2008). The coordinator and other partners are ECGI (European Corporate Governance Institute), Centre for Financial Studies (Frankfort), Università degli Studi di Genova, Katholieke Universiteit Brabant, Universiteit van Amsterdam, Centro de Estudios Monetarios y Financieros (Madrid), Stiftelsen Ostekonomiska Institutet (Stockholm), the University of Oxford, London Business School, Sabanci Universitesi (Tuzla), Eidgenoessische Technische Hochschule Zuerich, University of Alberta (Edmonton, Canada), Princeton University (USA), Yale University (USA), Universität Mannheim, Mc Graw-Hill International (London), Hermes Pensions Managements (London), Telecom Italia & Harvard College (USA).

Patrick Legros is the scientist in charge for ECARES in the network *Competition Policy in International Markets*, (November 2002-October 2006). The coordinator and other partners of the project are the Wissenschaftszentrum Berlin für Sozialforschung, Centre for Economic Policy Research, Institut d'Economie Industrielle (Toulouse), Katholieke Universiteit Leuven, Graduate Institute of International Economics (Lausanne), Industriens Utredningsinstitut (Stockholm), Universität Mannheim and Massachusetts Institute of Technology.

André Sapir is the scientist in charge for ECARES in the network *Trade, Industrialization and Development* (December 2002-November 2006). The coordinator and other partners are London School of Economics, Centre for Economic Policy Research, Norwegian School of Economics and Business Administration, Département et Laboratoire d'Economie Théorique et Appliquée (Paris), Trinity College Dublin, Centro Studi Luca d'Agliano, Tinbergen Institute (Rotterdam) and Pennsylvania State University.

European Study

Mathias Dewatripont, Victor Ginsburgh & Patrick Legros are promotors for ECARES of a study (May 2004-October 2005) on *The Economic and Technical Evolution of the Scientific Publication Markets in Europe*. The partners are the Bibliothèques de l'Université Libre de Bruxelles, IDEI (Toulouse) and the bibliothèques de l'Université de Toulouse 1.

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