

# Annual Report 2003-2004

## Institute for Economic Analysis

Spanish Council for Scientific Research

(CSIC)



## CONTENTS

### 1.- Presentation

### 2.- Organization

Board of Trustees

Structure

### 3.- Staff

Permanent research faculty

Research affiliates

Visiting researchers

Research assistants

Scholarship holders

Visiting Students

Administrative and secretarial staff

### 4.- Publications

### 5.- Research projects and others research activities

Projects

European research projects and networks

### 6.- Conferences, workshops and seminars

### 7.- Editorial Boards

### 8.- Graduate teaching

### Appendix

- Bellaterra Seminar
- Barcelona Jocs, Seminar on game theory and its applications
- Working Papers

## 1.- Presentation

The Institute for Economic Analysis (IAE) is a research center of the Spanish High Council for Scientific Research (CSIC). The Institute was created in 1985. The building is located in Bellaterra, campus of the Universitat Autònoma de Barcelona. Its goal is to promote research in economics at the highest scientific level.

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 also with their Ph.D. programs. The three units are integrated in the Laboratoire Européen Associé (LEA) in Quantitative Economics, together with the CORE of the Université Catholique de Louvain and the GREQAM of the Université Aix-Marseille.

The most recent rankings of scientific production (Journal of the European Economic Association, December 2003) place the IAE among the top European centers:

- Combes and Linnemer: **IAE ranks 2 in Europe in productivity per researcher** and 16 in total scientific production;
- Kalaitzidakis et al.: UAB/IAE ranks 9 in Europe;
- Lubrano et al.: UAB/IAE ranks 10 in Europe (ranking based on the very top journals);
- Coupé: UAB/IAE ranks 84 in the world.

During period 2003-2004, Flip Klijn, Rosella Nicolini, Martin Meier and Marcelo Soto have joined the IAE under researcher contracts within the framework of the Ramon y Cajal and Juan de la Cierva Programs of the Ministry of Education and Science, and Melvyn Coles under ICREA researcher contracts (Institució Catalana de Recerca i Estudis Avançats).

## - 2.- Organization

### Board of Trustees

President:

*President of Spanish Council for Scientific Research*

Trustees:

*Spanish Council for Scientific Research*

*Universitat Autònoma de Barcelona*

*Spanish Ministry of Finance*

*Spanish Ministry of Education and Science*

### Administration:

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

Vice-Director: *Ángel de la Fuente*

Head of the Department: *Ramon Caminal*

Manager: *Rita Arias*

### 3.- Staff

#### Research faculty

Enriqueta Aragonés  
Jordi Brandts  
Roberto Burguet  
Ramon Caminal  
Giacinta Cestone  
Melvyn Coles  
Joan M<sup>a</sup> Esteban  
Ángel de la Fuente  
Flip Klijn  
Albert Marcet  
Martin Meier  
Rosella Nicolini  
Paul Pezanis-Christou (until September 2004)  
Clara Ponsatí  
Marta Reynal (until December 2003)  
Marcelo Soto

#### Research affiliates

Martin Perry  
Diego Puga  
Debraj Ray  
Xavier Vives

#### Visiting Researchers

2003

Olivier Armentier	(SUNY at Stony Brook)
Pablo Brañas	(Universidad de Jaén)
Oriol Carbonell	(Rutgers University)

Dragan Filipovich	(Colegio de Mexico)
Aviad Heifetz	(Tel Aviv University)
Guy Lacroix	(Université Laval)
Paul Levine	(University of Surrey)
Nicolas Melissas	(University of Leicester)
Harry J. Paarsch	(University of Iowa)
Thomas Palfrey	(California Institute of Technology)
Martin Perry	(Rutgers The State University of New Jersey and ICREA)
Rute Rodrigues	(Università di Siena)
Jacques Silber	(Bar-Ilan University)
Aljaz Ule	(CREED, University of Amsterdam)

2004

Klaus Abbink	(University of Nottingham)
David Cooper	(Case Western Reserve University)
Ayça Ebru	(Isik Universty, Estambul)
Roland Fryer	(Harvard University)
Guy Lacroix	(Université Laval)
Martin Pesendorfer	(London School of Economics)
Aljaz Ule	(CREED, University of Amsterdam)

### Research assistants

Ana Belmonte Rodríguez (until September 2004)  
 Juan Antonio Duro  
 David Rodríguez  
 David Martínez

### Scholarship holders

Jesús Enrique Morales  
 Agnes Pinter  
 M<sup>a</sup> Fernanda Rivas

M<sup>a</sup> Concepción Roman

Santiago Sánchez

Irina Prokofieva

Tahir Ozturk

Ricardo Flores Fillol

### Visiting Students

Matteo Cervellati (University Bologna)

Davide Dragone (University Bologna)

### Administrative and secretarial staff

Rita Arias                      Manager

Josefa Ana Amiell

Ana Echaguibel

M<sup>a</sup> José García

Angela Hernández

Teresa Lorenz

Concepción Rodríguez

Belinda Ruiz

## 4.- Publications

### Enriqueta Aragonés

"The Effect of Candidate Quality on Electoral Equilibrium: An Experimental Study", (with Thomas Palfrey), *American Political Science Review*, 98 (1), 2004, 77-90.

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

### Jordi Brandts

"An Exploration of Reputation Formation in Experimental Games", (with Neus Figueras), *Journal of Economic Behavior and Organization*, 2003, 50, 1, 89-115.

"Asymmetric demand information in uniform and discriminatory call auctions", (with Klaus Abbink and Tanga McDaniel), *Journal of Regulatory Economics*, 2003, 23, 2, 125-144.

"Truth or Consequences. An Experiment", (with Gary Charness), *Management Science*, 2003, 49, 116-130.

"How Universal is Behavior? A Four Country Comparison of Spite and Cooperation in Voluntary Contribution Mechanisms", (with Tatsuyoshi Saijo and Arthur Schram), *Public Choice*, 119, 2004, 684-708.

"Do Market Conditions Affect Gift Exchange? Some Experimental Evidence", (with Gary Charness), *Economic Journal*, 114, 2004, 584-708.

"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. (August 2002).

"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. (revised version August 2002).

"I want YOU!: An Experiment Studying the Selection Effect when Assigning Distributive Power", (with Werner Güth and Andreas Stiehler), forthcoming in *Labor Economics*.

"Fair Procedures. Evidence from Games Involving Lotteries", (with Gary E. Bolton and Axel Ockenfels), forthcoming in *The Economic Journal*.

"Price competition under cost uncertainty: a laboratory analysis" (with Klaus Abbink), forthcoming in *Economic Inquiry*.

"Auctions for Government Securities: a Laboratory Comparison of Uniform, Discriminatory and Spanish Designs", (with Klaus Abbink and Paul Pezaris-Christou), forthcoming in *Journal of Economic Behavior and Organization*.

### Roberto Burguet

"Trade Liberalization, Environmental Policy, and Welfare", (with J. Sempere), *Journal of Environmental Economics and Management*, 2003, 46, 25-37.

"North-South Environmental Debate: Strategic Price Distortions and Capital Flows", (with J. Sempere), *Revista Mexicana de Economía y Finanzas*, 2003, 2, 23-34.

"Competitive Procurement with Corruption", (with Yeon Koo Che), *Rand Journal of Economics*, 35, 2004, 50-68.

"The Condominium Problem; Auctions for Substitutes", forthcoming in *Review of Economic Design*.

### Ramon Caminal

"La opinión de los economistas académicos en España: ¿consenso o segmentación?", (with David Rodríguez), in *Moneda y Crédito*, 217, 2003, 257-303.

"Taxation of Banks: Modeling the Impact", in P. Phonohan (ed.), *Taxation of Financial Intermediation: Theory and Practice for Emerging Economies*, The World Bank and Oxford University Press, 2003.

*Políticas Públicas y Equilibrio Territorial en el Estado Autonómico*, (with A. de la Fuente and X. Vives), Fundación BBVA and the Institut d'Estudis Autonòmics de Catalunya, Bilbao, 2003.

"Personal Redistribution and the Regional Allocation of Public Investment", *Regional Science and Urban Economics*, 34, 2004, 55-69.

### Giacinta Cestone

"Anti-Competitive Financial Contracting: The Design of Financial Claims", (with Lucy White), *The Journal of Finance*, 2003, 58, 5, 2109-2142.

"The Strategic Impact of Resource Flexibility in Business Groups", (with Chiara Fumagalli), forthcoming in *RAND Journal of Economics*.

### Melvyn Coles

"Equilibrium Wage Tenure Contracts", (with K. Burdett), *Econometrica*, 71, 2003, 1377-1404.

"Bargaining in a Non-Stationary Environment", (with A. Muthoo), *Journal of Economic Theory*, 109, 2003, 70-89.

"Indeterminacy and Directed Search", (with J. Eeckhout), *Journal of Economic Theory*, 111, 2003, 70-89.

"Duration Dependent UI Payments in a Model of Equilibrium Unemployment", (with A. Masters), *Economica*, 7, 2004, 83-97.

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

"Overlapping Generations Models", in *Encyclopedia of Life Support Systems*, Mukul Majumdar editor, UNESCO, Eolss Publishers, Oxford, 2003.

"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, forthcoming.

"Olson vs. Coase: coalitional worth in conflict", (with J. Sákovics), *Theory and Decisión*, 55, 2004, 1737-1772.

## Ángel de la Fuente

- "Convergence Equations and Income Dynamics: The Sources of OECD Convergence, 1970-95", *Economica*, 2003, 70, 655-671.
- "El Impacto de los Fondos Estructurales: Convergencia Real y Cohesión Interna", *Hacienda Pública Española/Revista de Economía Pública*, 2003, 165, 2, 129-148.
- Políticas Públicas y Equilibrio Territorial en el Estado Autonómico*, (with X. Vives and R. Caminal), Fundación BBVA and the Institut d'Estudis Autonòmics de Catalunya, Bilbao, 2003.
- "Regional Convergence in Spain, 1965-95", in Gertrude Tumpel-Gugerell and Peter Mooslechner, editors, *Convergence and Divergence in Europe- Growth and Regional Development in an Enlarged European Union*. Edward Elgar, 2003, 72-85.
- "Does Cohesion Policy Work? Some General Considerations and Evidence from Spain", in B. Frunck and L. Pizzati, editors, *Regional Policy for New EU Members*. World Bank, Washington DC, 2003, 153-166.
- "La Evolución de la Economía Asturiana, 1955-1998", *Papeles de Economía Española*, 20, 2003, 10-18.
- Human capital in a global and knowledge-based economy*, (with Antonio Ciccone), European Commission, DG for Employment and Social Affairs. Office for official publications of the European Communities, Luxembourg, 2003.
- Human capital in a global and knowledge-based economy, part II: Assessment at the EU country level*, European Commission, DG for Employment and Social Affairs, April 2003.
- "Second-best Redistribution Through Public investment: A Characterization, an Empirical Test and an Application to the Case of Spain", in *Regional Science and Urban Economics*, 34, 2004, 489-503.
- "Infraestructuras y redistribución regional", *Economistas*, 100, 2004, 274-8.
- "Sobre las balanzas fiscales de las regiones españolas", *Papeles y Memorias de la Real Academia de Ciencias Morales y Políticas XII*, 2004, 180-97.

"Reflexiones de un ciudadano preocupado sobre las balanzas fiscales regionales",  
*Papeles de Economía Española*, 99, 2004, 19-27.

"Convergence Across Countries and Regions: Theory and Empirics",  
forthcoming in *Growth, Capital Stock and New Technologies*, Fundación  
BBVA.

"Educación y crecimiento: un panorama", forthcoming in *Revista Asturiana de  
Economía*.

### Paul Pezanis-Christou

"An Experimental Test of Design Alternatives for the British 3G/UMTS  
Auction", (with Klaus Abbink, Bernd Irlenbusch, Bettina Rockenbach,  
Abdolkarim Sadrieh and Reinhard Selten), forthcoming in *European  
Economic Review*.

### Flip Klijn

"Manipulation of Optimal Matchings via Predonation of Endowment", (with G.  
Fiestras-Janeiro and E. Sánchez) *Mathematical Social Sciences*, 47, 2004,  
295-312.

"Stable Matchings and Preferences of Couples", (with B. Klaus), forthcoming in  
*Journal of Economic Theory*

"Procedurally Fair and Stable Matching", (with B. Klaus), forthcoming in  
*Economic Theory*

"Sequencing Games without Initial Order", (with E. Sánchez), forthcoming in  
*Mathematical Methods of Operations Research*

"On Games corresponding to Sequencing Situations with Precedence Relations",  
(with Hamers H. and B. van Velzen), forthcoming in *Annals of Operations  
Research*

"Distribution Center Consolidation Games", (with M. Slikker), forthcoming in  
*Operations Research Letters*

### Martin Meier

"On the Nonexistence of Universal Information Structures", forthcoming in *Journal of Economic Theory*.

"An Infinitary Probability Logic for Type Spaces", CORE Discussion Paper 2001/61, forthcoming in *Israel Journal of Mathematics*.

"Hierarchies of Beliefs for Compact Possibility Model", (with Thomas Mariotti and Michele Piccione), forthcoming in *Journal of Mathematical Economics*.

### Clara Ponsatí

"Mediation: Incomplete Information Bargaining with Filtered Communication", (with Xavier Jarque and József Sákovics), *Journal of Mathematical Economics*, 2003, 9, 803-830.

"Economic Diplomacy", *Journal of Public Economic Theory*, 6, 5, 2004, 673-689.

"Search and Bargaining in Large Markets with Homogeneous Traders", *Contributions to Theoretical Economics-Berkeley Electronic Press*, 4, 2004, issue 1, article 1.

### Marta Reynal-Querol

"Religious Polarization and Economic Development", (with José G.Montalvo), *Economic Letters*, 2003, 80, 201-210.

"Ethnic Diversity, Political Systems and conflict", (with Jose G.Montalvo) *Welt Trends*, 2003, 38, 44-61.

"Breaking the Conflict Trap: Civil War and Development Policy", (joint with Paul Collier, Lani Elliot, Havard Hegre, Anke Hoeffler, Nicholas Sambanis) *World Bank Policy Research Report*. Oxford, UK: Oxford University Press, 2003.

### Marcelo Soto

"Financing Global and Regional Public Goods through ODA: Analysis and Evidence from the OECD Creditor Reporting System", (with H. Reisen and T. Weithoner), forthcoming in *Building the New International Financial Architecture: Issues, Challenges and Agendas*, in WIDER series Studies in Development Economics, Palgrave Macmillan.



## 5.- Research projects and other research activities

### Projects

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

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

**Other participants:** Roberto Burguet and József Sákovics

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

**Time Period:** 2000-2003

#### **Summary:**

One of the main objectives of the National Program in Socioeconomic is to facilitate analytical tools allowing for a better understanding of the nature of the social changes we are witnessing and their interaction with economic efficiency and growth potential. This is the central aim of our research.

Indeed, the distribution of personal income in many countries is becoming polarized as a result of a process on increasing social clustering. This greater segmentation weakens the social cohesion indispensable for the non-conflictual resolution of opposing interests. This increased fragmentation also induces a growing abstentionsim, mostly among the socially segmented groups. The political system gets thus weakened as a mechanism for social participation and integration.

The central target of this research is to develop a model of economic and social interaction in which the conflict of interests is an integral part of the description of the actors and of their relations. We wish to characterize social agreements and institutions as resulting from the power of the competing parties, rather than as the outcomes of the philanthropic maximization of social welfare. Our research focuses on two main areas. In the first we study the relationship between polarization and social conflict. In the second, we examine the consequences of social conflict on the political process, on the allocation of resources and hence on the potential for growth.

#### **"Polarization and Conflict" (BEC2001-4589)**

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

**Other participants:** Marta Reynal

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

**Time Period:** 2002-2003

**Summary:**

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

- Identify the researchers in Political Science and Economics interested in the analytical modeling of polarization and conflict.
- Create an operative web page to facilitate communication and the diffusion of results.
- Organize a small workshop to launch effective cooperation between economists and social scientists.
- Prepare and submit a joint research project by under the "key action".

**"Decisiones Públicas y Cohesión Social" (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 (C.Rafels), Universitat de Girona (Dolors Berga), Universitat Politècnica de Catalunya (F.Carreras)

**Financed by:** Generalitat de Catalunya

**Time Period:** 2003-2005

**Summary:**

This network has the purpose of doing periodically seminars about 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 and the other one 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.

## **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

**"The European Network for the Development of Experimental Economics and its Applications to Research on Institutions and Individual Decision Making" (FMRX\_CT98-0238)**

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

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

**Financed by:** DG12 European Commission

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

**Summary:**

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

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

(2) The fundamental study of individual decision making in economic situations.

This allows one to develop the fundamentals of economic theory by testing basic assumptions about behavior with and without (strategic) interaction between

individuals. It also covers more practical research into individual decision making in specific situations.

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

**Leader of the local team:** Carmen Matutes until 2000, Roberto Burguet from 2001

**Project leader:** Röller Lars-Hendrik, WZB.CIC, Berlin

**Financed by:** Program Training and Mobility of Researchers European Commission

**Time Period:** 1998-2003

**Summary:**

The proposed network will undertake research on the evolution of market structure in European 'network industries' such as telecommunications, energy, air transportation, rail, and water. These industries have emerged as a key European policy issue, yet there is little or no research collaboration at the EU level. This network will address this need through a comprehensive programme of research and training, involving eight leading institutions in six EU countries.

The research addresses three important issues:

- Competition and Regulation amongst Existing Networks, focusing on market structure in existing network industries and how new structures might evolve;
- Investment in New Networks, focusing on the role of infrastructure in economic performance, the processes by which infrastructure is created, and the optimal providers of such infrastructure;
- Networks and Geography: exploiting methodological similarities between two disparate fields: economic geography and network industries,

The network aims to train a new generation of researchers and to achieve scientific advances on topics such as the optimal mix between competition policy and regulation and models of the political economy of regulation.

**"The Industrial Organization of Banking and Financial Markets in Europe" (FMRX-CT 98-0222)**

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

**Project leader:** Xavier Vives, CEPR

**Financed by:** DG12 European Community

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

**Summary:**

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

## 6.- Conferences, workshops and seminars

### - Organization

Enriqueta Aragonés

- Organizer of the Bellaterra Seminar series, academic year 2002-03 and 2003-04.

Joan M<sup>a</sup> Esteban

- Coordinator Winter Meeting of the Polarization and Conflict Project, Barcelona, 10-12 December 2004.

Clara Ponsatí

- Program Chair, The Society for Economic Design, SED 2004, Conference on Economic Design, Universitat de les Illes Balears, Palma de Mallorca, June 29 - July 3, 2004.

### - Scientific Committees

Enriqueta Aragonés

- ASSET Annual Conference 2004. Barcelona, November 2004.

Jordi Brandts

- International Meeting on Experimental and Behavioral Economics, Córdoba, Decembre 2004.

Roberto Burguet

- ESEM-EEA 2004, Madrid, August 2004.

Joan M<sup>a</sup> Esteban

- II Mediterraeen Summer School in Theoretical and Applied Economics: The Evaluation of Public Policies, Scientific Committee, Mallorca, July 2003

Ángel de la Fuente

- VI Encuentro de Economía Aplicada. Granada, June 2003.

Clara Ponsatí

- XXVIII Simposio de Análisis Económico, Sevilla, December 2003.

- XXIX Simposio de Análisis Económico, Pamplona, December 2004.

## - Presentations in conferences and workshops

Enriqueta Aragonés

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

- SED 2004, Universitat de les Illes Balears, Palma de Mallorca (Spain), June-July 2004.
- Workshop on Political Economy and Institutional Performance, ECARES, Universite Libre de Bruxelles, Brussels (Belgium), June 2004. Discussant.
- Winter Meeting of the Polarization and Conflict Project, Barcelona, 10-12 December 2004.

*Electoral Competition Between Two Candidates of Different Quality: The Effects of Candidate Ideology and Private Information*

- European Meeting of the Econometric Society, Universidad Carlos III, Madrid, August 2004.
- ASSET Annual Conference, Barcelona, November 2004.

Jordi Brandts

*Fair Procedures. Evidence from Games Involving Lotteries,* ENTER Jamboree, Tilburg, January 2003.

*Price Competition under Cost Uncertainty: A Laboratory Analysis,* ENDEAR Workshop, Amsterdam, April 2003.

*Economía Experimental,* Ciclo de Ciencia Computacional. Métodos y Perspectivas, Universidad de Valladolid, March 2003.

*Corporate Turnarounds: an Experimental Study,* 6th Meeting of “The Society for the Advancement of Economic Theory”, Rodos, Greece, July 2003.

*Economía del Comportamiento,* Escuela de verano de Centra, Frigiliana, Málaga, July 2003.

*Competition and Well-being,*

- Economic Science Association European Meeting, Erfurt, Alemania, September 2003.
- International Workshop on Social and Behavioral Economics, Universidad de Valencia, June 2004.



*Forward Induction and the Excess Capacity Puzzle: An Experimental Investigation*, WZB-Conference on Economics and Psychology, Berlin, Germany, October 2003.

*Information Networks and Worker Recruitment*, ESA International Meeting, Amsterdam, June 2004.

*A Change Would Do You Good... An Experimental Study on How to Overcome Coordination Failure in Organizations*, ESEM-EEA, Madrid, August 2004.

*It's What You Say, Not What you Pay* (with David J. Cooper), The Architecture of Social Interaction, Max Planck Institute for Research into Economic Systems, Jena, Germany, Novembre 2004.

## Roberto Burguet

*Does the Market Provide Sufficient Employment Protection?*

- ASSET Meetings, Bilkent University (Ankara), October 2003.
- 19th Annual Congress of the European Economic Association, Madrid, August 2004.

*Optimal procurement auction for a buyer with downward sloping demand: more simple economics*, Euroconference Auctions and Market Design: Theory, Evidence and Applications, Roma, 23-25 September 2004, invited presentation.

*Bribery and Favoritism by Auctioneers in Sealed-Bid Auctions*, in Workshop on Advances in Auction Theory, Berlin, 1-2 October, 2004, invited presentation.

## Ramon Caminal

*A Theory of Employment Protection in the Presence of Experimentation Rents*, V Jornadas de Economía Laboral, Universidad Rovira i Virgili, Reus, Tarragona, July 2003.

*Technological and Physical Obsolescence and the Timing of Adoption*, ESEM-EEA, Madrid, August 2004.

## Giacinta Cestone

Comentarista in the XII Foro de Finanzas, Univesitat Pompeu Fabra, Barcelona, December 2004.

## Melvyn Coles

*Part-Time Employment Traps and Childcare Policy*, Third IZA/SOLE Transatlantic Meeting of Labor Economists, Buch am Ammersee, Germany, June 2004.

*Part-Time Employment Traps*, IZA Conference: Women and the Labor Market in Europe, Bonn, December 2004.

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

*Taxation and Endogenous Sentiments*, Conference on Strategic Interactions in Industrial and Social Organizations at CORE, Louvain-la Neuve, January 2003.

### *Polarization, Conflict and Welfare*

- Invited presentation at X Encuentro de Economía Pública Santa Cruz de Tenerife, February 2003.
- The Future of the Welfare State, University of Siena, July 2003.

*Understanding Conflict: Tasks Ahead*, in Research/Policy Workshop on New Dimensions of Security and Conflict Resolution, Brussels, February 2003.

*Redistributive Taxation with Endogenous Sentiments*, International School of Economic Research, University of Siena, July 2003.

*Inequality, Lobbying and Resource Allocation*(with Debraj Ray), Conference on “Theoretical Perspectives on Identity, Community and Economic Policy, Barcelona, February 9-11, 2004.

*Polarización y Conflicto*, Public Conference Organized by the Universidad Nacional, Bogotá, 1st June 2004.

*Social Interactions and the Generation of Inequality*, in Inequality and Hierarchy as Emergent Properties of Social Interactions, Santa Fe Institute, New Mexico, July 2004.

*Economic Integration and Cross-Country Inequality: The European Case*, International Policy Workshop "World Development Report 2006 -

Development and Equity", convened by the Development Policy Forum of InWent - Capacity International, Germany and the World Bank, Berlin, 6-8 September, 2004.

*Polarization: Concepts, Measurement, Estimation*, Winter Meeting of the Polarization and Conflict Project, Barcelona, 10-12 December 2004.

*Endogenous Bargaining Power* (with J. Sákovics) in Workshop on Conflicts and Economics, Oslo, 13 and 14 December 2004.

## Ángel de la Fuente

*Innovación y macroeconomía: crecimiento, tecnología y capital humano*, Jornada sobre economía de la innovación. Gobierno de las Islas Baleares, Palma de Mallorca, Invited Conference, February 2003.

*Public policies and private incentives to invest in education*, Conference on The future of work: key challenges for the European Employment Strategy. Presidencia griega de la UE y DG for Employment and Social Affairs. Atenas, Invited Conference, February 2003.

*Una evaluación del Marco de Apoyo Comunitario 1994-99 para las regiones españolas Objetivo 1 con especial referencia al caso gallego*, Jornada sobre Fondos Estructurales, inversión en infraestructuras y crecimiento regional. Fundación Caixa Galicia, Santiago de Compostela, February 2003.

*The Effect of Structural Fund Spending on the Spanish Regions: An Assessment of the 1994-99 Objective 1 CSF*, VI Encuentro de Economía Aplicada, Granada, June 2003.

*Human Capital and National Competitiveness: The State of the Evidence*, European Commission and European Investment Bank, Brussels, Invited Conference, September 2003.

*Inversión Pública y Redistribución Regional*, Consejo Económico y Social de Aragón, Invited Conference, September 2003.

*Los rendimientos privados y sociales de la educación en Europa*, III Semana de la Ciencia y la Tecnología de la Comunidad de Madrid. Universidad de Alcalá, Invited Conference, November 2003.

*Private and Social Returns to Education in Europe*, XXVIII Simposio de Análisis Económico, Sevilla, December 2003.

*Human Capital and Growth: Some Results for the OECD*, Workshop on Current Issues in Economic Growth. Austrian National Bank, Vienna, March 2004, invited presentation.

*The Macroeconomics of Human Capital*, Employment Week. Brussels, April 2004, invited presentation.

*Human Capital as a Factor of Growth and Employment at the Regional Level. The Case of Spain*, VII Encuentro de Economía Aplicada. Vigo, June 2004.

*Capital humano y crecimiento*, IV Oviedo Workshop on Efficiency and Productivity. Universidad de Oviedo, September 2004, invited presentation.

*Las balanzas fiscales de las regiones españolas*, IV Jornadas sobre cuestiones clave de la economía española. Sevilla, Centro de Estudios Andaluces. October 2004, invited presentation.

*The private and fiscal returns to schooling in the EU*, VII INFER Workshop on Economic Policy, Murcia, November 2004, invited presentation.

*The fiscal returns to schooling in the EU*, European Symposium on the Economics of Education. DG Education and Culture, Brussels, November 2004, invited presentation.

*Financiación autonómica y solidaridad interregional*, XXX Reunión de Estudios Regionales, Barcelona, November 2004, invited presentation.

*Human capital as a factor of growth and employment at the regional level. The case of Spain*, XXIX Simposio de Análisis Económico. Pamplona, December 2004.

## Flip Klijn

*Paths to Stability for Matching Markets with Couples*, (with B. Klaus)

- SED Conference, Palma de Mallorca, June 29-July 3, 2004.
- VISMGT Conference, Elx, July 12-July 14, 2004.
- OR2004 Conference, Tilburg, September 1-September 3, 2004.

## Rosella Nicolini

*The optimal behaviour of firms facing stochastic costs*, European Meeting of the Econometric Society, Madrid, August 2004.

## Clara Ponsatí

### *Implementation by Decent Mechanisms*

- Workshop on Social Choice and Welfare Economics, Málaga, May 2003.
- 6th Meeting of “The Society for the Advancement of Economic Theory”, Rodos, Greece, July 2003.
- EEA-ESEM 03, Stockholm, Sweden, August 2003.
- XVIII Simposio de Análisis Económico, Sevilla, December 2003.

### *Bilateral Trade in Dominant Strategies under Risk Aversion*

- The Society for Economic Design, SED 2004, Conference on Economic Design, Universitat de les Illes Balears, Palma de Mallorca, June – July 2004.
- Game Theory Society Meeting, Marsella, July 2004.

### *All in Good Time*

- XXIX Simposio de Análisis Económico, Pamplona, December 2004.

## Marcelo Soto

*Why are Poor Countries Poor?*, Latin American Meeting of the Econometric Society, Santiago Chile, July 2004.

*Operational Dimensions of Supplying Regional Public Goods through Regional Development Assistance*, Banco Interamericano del Desarrollo and Banco Asiático de Desarrollo Tokyo, Japan, October 2004, invited presentation.

*Instituciones Políticas, Procesos de Formulación de la Política Económica y Resultados*, Banco Interamericano del Desarrollo and BBVA, Madrid, October 2004, invited presentation.

## - Seminars

### Enriqueta Aragonés

2004

- Barcelona Jocs, Barcelona, January
- GREMAQ, University of Toulouse, March

### Jordi Brandts

2003

- Universitat Jaume I de Castellón, January
- University College London, February
- Humboldt University, Berlin, May
- Barcelona Jocs Seminar, Barcelona, October

2004

- Instituto de Estudios Sociales de Andalucía, CSIC, Cordoba, January
- University of Amsterdam, February
- Universidad Lusofona de Lisboa, May
- Institut Milà i Fontanals, CSIC, Barcelona, May
- University of Magdeburg, October

### Roberto Burguet

2004

- University College Dublin, January
- Queen Mary, University of London, January
- Colegio de México, September

### Ramon Caminal

- Univesitat Pompeu Fabra, September 2003

### Melvyn Coles

2003

- Microeconomics Seminar, Universitat Pompeu Fabra, September
- Macroeconomics Workshop , UAB, October

- Bellaterra Seminar, UAB-IAE, October
- Conference, University of Essex, October
- IZA Conference, Bonn, November

2004

- Erasmus University, Rotterdam, March
- Universidad Carlos III, Madrid, March
- CREA Trobada, Barcelona, October
- Essex University, December

Joan M<sup>a</sup>Esteban

2003

- Universidad Carlos III de Madrid, October
- Universidad del País Vasco, October

2004

- Universitat Pompeu Fabra, May
- Universidad Nacional de Colombia, May
- Università La Sapienza, Roma, June
- CORE, Brussels, November
- Conferencia Inaugural del Program de Doctoral en Economía, Universidad de Zaragoza, November
- Universidad de Zaragoza, November
- DELTA-ENS, Paris, December

Ángel de la Fuente

2003

- European Commission, DG for Employment and Social Affairs. Expert seminar, Brussels, March
- Fondazione Taliercio Workshop, Roma, May
- Dirección General de Presupuestos, Ministerio de Hacienda, Madrid, May
- ISFOL, Struttura Nazionale di Valutazione FSE, Roma, June
- Banco de España, Madrid, July

- Dirección General de Presupuestos, Ministerio de Hacienda, Madrid, July
- Seminario COTEC, Madrid, September
- Universidad Internacional Menéndez Pelayo, Pontevedra, September
- Universidad de Murcia, November

2004

- Hamburg Institute for International Economics (HWWA), January
- Universidad de Zaragoza, April.
- Curso sobre Perspectivas de futuro de la economía asturiana, La Granda, Asturias, August.
- Mesa redonda, Tribuna Ciudadana y Club de Prensa de la Nueva España, Oviedo, December.

Albert Marcet

- Invited Seminar in "Workshop in Macroeconomics", Universitat Pompeu Fabra, May 2004

Rosella Nicolini

- Summer School on Intangible Assets, San Sebastián, Invited Seminar, September 2004.

Paul Pezanis-Christou

- Universities of Aix-Marseille III (GREQAM), March 2003
- Universität Erfurt, October 2003

Clara Ponsatí

2003

- Barcelona Jocs Seminar, Barcelona, April

2004

- Universidad del País Vasco, Bilbao, February
- Universidad Carlos III de Madrid, March
- Universidad de Sevilla, May
- University College of London, October
- Universidad de Vigo, November

Marta Reynal-Querol



2003

- International Conference, Tinbergenweek 2003, On the Wealth of Nations extending the Tinbergen Heritage. Erasmus University Rotterdam, The Netherlands, April
- Annual Bank Conference on Development Economics, ABCDE 2003, Paris, May
- Launch European Academic Action Network for Development, European Vice Presidency of the World Bank, Paris, May
- Mapping and Explaining Civil War: What to Do About Contested Datasets and Findings, Oslo, August

## 7.- Editorial Boards:

Jordi Brandts

Member of Editorial Board of:

*Experimental Economics*, 1998 –

*Spanish Economic Review*, 2000-2004

Roberto Burguet

Associate Editor of *Spanish Economic Review*

Member of the Editorial Board of *Estudios Económicos*.

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 –

Editor of *Labour Economics*, 2004 –

Joan M<sup>a</sup> Esteban

Member of the Editorial Board of:

*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 –

### Ángel de la Fuente

Editor of *Revista de Economía Aplicada*, 2003 –

Member of Editorial Board of:

*Revista de Economía Aplicada*, 1998 –

*Economic and Social Review*, 2001 –

*Investigaciones Económicas*, 2001 –

*Hacienda Pública Española/Revista de Economía Pública*, 2001-2004.

Member Advisory Board of:

*Investigaciones Regionales*, 2002 –

### Albert Marcet

Associate Editor of *Economic Journal*, 2004 –

### Clara Ponsatí

Associated 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

Introduction to Economics I, undergraduate, Universitat Pompeu Fabra, 2003-04.

Teoría Instituciones Políticas, undergraduate, Universitat Pompeu Fabra, 2003-04,  
2004-05

Political Economy, Doctoral Program IDEA, Universitat Autònoma de Barcelona,  
2004-05

### Jordi Brandts

Experimental Economics, Doctoral Program IDEA, Universitat Autònoma de  
Barcelona, 2003-04

### Roberto Burguet

Applied Microeconomics, undergraduate, Universitat Pompeu Fabra, 2003-04,  
2004-05

Auctions Theory, Doctoral Program IDEA, Universitat Autònoma de Barcelona,  
2002-03

Auction Theory, INSEAD, 2003-04

### Ramon Caminal

Corporate Finance and Banking, Doctoral Program IDEA, Universitat Autònoma  
de Barcelona, 2002-03

Applied Macroeconomics, undergraduate, Universitat Pompeu Fabra, 2003-04.

### Giacinta Cestone

Microeconomics of Banking, Master in Economics and Finance, Università di  
Napoli, 2002-03

The Economics of Financial Intermediation, Master in Economics and Finance,  
Università di Napoli, Spring 2004

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

Income Distribution, Doctoral Program in Economics, Universitat Pompeu  
Fabra, 2002-03, 2004-05

Workshop in Polarization and Conflict, Universitat Pompeu Fabra, April 2004

### Ángel de la Fuente

Applied Macroeconomics, with J. Bacaríá and J. Oliver. Applied Economics  
Doctoral Program, Universitat Autònoma de Barcelona, 2002-03

### Rosella Nicolini

Economía de la Información, undergraduate, Universitat Autònoma de  
Barcelona, 2003-04

Microeconomics I (Contract Theory), undergraduate, Universitat Pompeu  
Fabra, 2004-05

Comerç Internacional, undergraduate, Universitat Autònoma de Barcelona,  
2004-05

### Clara Ponsatí

Information and Contracts, undergraduate Universitat Pompeu Fabra, 2003-04

Economía de la Información, undergraduate, Universitat Autònoma de  
Barcelona, 2004-05

Topics of Microeconomics, Doctoral Program IDEA, Universitat Autònoma de  
Barcelona, 2004-05

### Marcelo Soto

Economics Theory I, undergraduate, Universitat Pompeu Fabra, 2003-04

Internacional Economics I, undergraduate, Universitat Pompeu Fabra, 2003-04

Internacional Economics II, undergraduate, Universitat Pompeu Fabra, 2003-04

Advanced Macroeconomics II, undergraduate, Universitat Autònoma de  
Barcelona, 2004-05

## **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.

Sergio Vicente, "Political Economy", IDEA, Universitat Autònoma de Barcelona. Doctoral dissertation in process.

### **Jordi Brandts**

Gianandrea Staffiero, "Inequality, Reciprocity, Sanctions and Trust-Essays in Experimental and Behavioral Economics" IDEA, Universidad Autónoma de Barcelona, Doctoral dissertation, July 2004

Pablo Guillén Álvarez, "Four Essays on Experimental Economics", IDEA, Universitat Autònoma de Barcelona, Doctoral dissertation, July 2004

Ágnes Pintér, "Do Social Preferences Influence Equilibrium Selection? An Experimental Study", IDEA, Universitat Autònoma de Barcelona, Master thesis, September 2003

M<sup>a</sup> Fernanda Ribas, "Public Goods, Punishment and Happiness. An Experimental Approach", IDEA, Universitat Autònoma de Barcelona, Master thesis, September 2004

### **Roberto Burguet**

Beatriz de Otto López "Mergers, Capacity Constraints, and Financial Contracts; "Three models of Bidding in a Pool", IDEA, Universidad Autónoma de Barcelona, Doctoral dissertation. 2003

Concepción Román Díaz, "Bribing an Auctioneer with Unknown Costs", IDEA, Universitat Autònoma de Barcelona, Master thesis, July 2004

### **Ramon Caminal**

Natalia Ivanova "Corruption and Optimal Capital Requirements in the Case of Developing Economies", IDEA, Universitat Autònoma de Barcelona, Master thesis, September 2003

Adina Claiici, "Some Aspects of Asymmetric Oligopolies: Entry and Product Differentiation", IDEA, Universitat Autònoma de Barcelona. Doctoral dissertation in process

## Giacinta Cestone

Natalia Milkova, "Three Essays in Finance", IDEA, Universitat Autònoma de Barcelona. Doctoral dissertation in process

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

Juan Antonio Duro, "Ensayos Empíricos sobre Desigualdades Regionales", Universidad Autónoma de Barcelona, (codirector with Ángel de la Fuente), Doctoral dissertation, April 2003.

Matteo Cervellati, "Essays on Social Interactions with Heterogenous Agents" Universitat Pompeu Fabra, Doctoral Dissertation in process.

## Rosella Nicolini

Ricardo Flores, IDEA, Universitat Autònoma de Barcelona. Doctoral dissertation in process.

## Clara Ponsatí

Santiago Sanchez Pagès, "Conflict as a Part of the Bargaining Process", IDEA, Universitat Autònoma de Barcelona, Doctoral dissertation, July, 2003

Raul López, IDEA, Universitat Autònoma de Barcelona, Doctoral Dissertation in process.

## Marcelo Soto

Brindusa Anghel, "Do Institutions Affect Foreign Direct Investment?", IDEA, Universitat Autònoma de Barcelona, Master thesis, September 2004.

## Appendix

### Bellaterra Seminar

#### 2003

- January 9 Ignacio Palacios-Huerta (*Brown University*) "The Measurement of Intellectual Influence" (with Oscar Volij)
- January 16 Suzanne Scotchmer (*University of California, Berkeley*) "The Political Economy of Intellectual Property Treaties"
- January 23 Per Baltzer Overgaard (*University of Aarhus*) "Buy-Out Prices in Online Auctions: Multi-Unit Demand" (with René Kirkegaard)
- February 27 William Thomson (*Rochester University*) "Consistent Rules for the Adjudication of Conflicting Claims"
- March 6 Lutz Kilian (*University of Michigan*) "The Central Banker as a Risk Manager: Quantifying and Forecasting Inflation Risks" (with Simone Manganelli)
- March 13 Harry Paarsch (*University of Iowa*) "An Empirical Model of Multi-Unit, Sequential, Oral, Ascending-price Auction"
- March 20 Joseph E. Harrington (*Johns Hopkins University*) "Cartel Pricing Dynamics in the Presence of an Antitrust Authority"
- March 27 Martin Osborne (*University of Toronto*) "Party Formation in Collective Decision-Making" (with Rabee Tourky)
- April 3 Patrick Rey (*Université de Toulouse*) "Transferable Control" (with Philippe Aggion and Mathias Dewatripont)
- April 10 Jose Manuel Campa (*IESE, Business School*) "Differences in Exchange Rate Pass-Through in the Euro Area" (with José M. González Minguez)
- April 24 Eiichi Miyagawa (*Columbia University*) "Fair Play Equilibria in Normal Form Games" (with Ryo-ichi Nagahisa and Koichi Suga)
- May 6 Sergiu Hart (*The Hebrew University of Jerusalem*) "Adaptive Dynamics" (with Andreu Mas-Colell)
- May 8 Tatsuyoshi Saijo (*Institute of Social and Economic Research Osaka University*) "Secure Implementation Experiments: Do Strategy-

- proof Mechanisms Really Work?" (with Timothy N. Cason, Tomas Sjoström and Takehiko Yamato)
- May 15 Thomas Palfrey (*California Institute of Technology*) "The Effect of Candidate Quality on Electoral Equilibrium: An Experimental Study" (with Enriqueta Aragonés)
- May 22 Bernard Grofman (*University of California, Irvine*) "Modeling Cabinet Coalition and Dissolution: From Riker (1962) to Schofield (2000)"
- May 29 Karl Shell (*Cornell University*) "Comparing Sunspot Equilibrium and Lottery Equilibrium Allocations: The Finite Case" (with Rod Garratt and Todd Keister)
- June 5 Luigi Pistaferri (*Stanford University*) "Wage Risk, Employment Risk, and Precautionary Saving" (with H. Low and C. Meghir)
- June 13 Roberto Chang (*Rutgers University*) "Financial Crises and Political Crises"
- June 19 Deborah Minehart. (*University of Maryland*) "Vertical Merger and Specific Investments: A Tale of the Second Best"
- June 26 Jacob K. Goeree (*Universiteit van Amsterdam*) "Social Learning with Private Common Values"
- October 9 Yves Sprumont, (*Université de Montréal*) "On Demand Responsiveness in Cost Sharing" (with H. Moulin)
- October 16 Diego Comin, (*New York University*) "Medium Term Business Cycles" (with Mark Gertler)
- October 23 Sergei Severinov, (*Duke University*) "Does a Monopoly Need to Exclude?" (with R. Deneckere)
- October 30 Melvyn Coles, (*IAE*) "Equilibrium Wage-Tenure Contracts with Heterogeneous Firms" (with Ken Burdett.)
- November 6 Samuel Bentolila, (*CEMFI*) "Social Networks and Occupational Choice" (with C. Michelacci and J. Suarez)
- November 13 Ramon Casadesus-Masanell, (*IESE*) "Dynamic Mixed Duopoly: A Model Motivated by Linux vs. Windows" (with Pankaj Ghermawat)



- November 20 Francesco Squintani, (*University of Rochester*) "Electoral Competition with Privately Informed Candidates" and "Private Polling in Elections"
- November 27 Sandro Brusco, (*Universidad Carlos III de Madrid* and *SUNY Stony Brook*) "Merger Mechanisms"
- December 4 Itzhak Gilboa (*Tel Aviv University* and *Yale University*) "Evidence and Belief"

## 2004

- January 8 Guy Lacroix, (*Universite Laval*, visiting *IAE*) "Tax Evasion and Social Interactions: An Experimental Approach"
- January 15 Fred Schroyen (*Norwegian School of Economics*, visiting *IAE*) "An Alternative Way to Model Merit Good Arguments"
- February 19 Amrita Dhillon (*Warwick University*) "Scoring Rule Voting Games and Dominance Solvability" (with L.Buenrostro)
- February 26 Roger Myerson (*Chicago University*) "Federalism and Incentives for Success of Democracy"
- March 4 Nicola Pavoni (*University College London*) "Optimal Welfare-to-Work Plans"
- March 11 Efe Ok (*New York University*) "A General Theory of Time Preferences" (with Yusufcan Masatlioglu)
- March 18 Alejandro Manelli (*Arizona State University*) "Multidimensional Mechanism Design: Revenue Maximization and the Multiple-Good Monopoly" (with Daniel Vincent)
- March 25 Yves Zenou (*The Research Institute of Industrial Economics*) "The Dynamics of Cultural and Statistical Discrimination" (with Maria Saez-Marti)
- April 1 Steffen Huck (*UCL*) "Imitation.Theory and Experimental Evidence"
- April 15 Jean Pierre Benoit (*New York University*, visiting *UPF*) "Information Revelation in Auctions"
- April 22 Joel Shapiro (*UPF*) "Conflicts of interest, information provision and competition in banking" (with Patrick Bolton and Xavier Freixas)

- April 29 Gabriel Pérez Quiros (*Banco de España*) "Are European Business Cycles Close Enough to be just One?" (with M.Camacho and L. Sáiz)
- May 6 Shmuel Nitzan (*Bar-Ilan University*) "Context-Based Choice" (with K. Kriesler)
- May 13 Xavier Mateos Planas (*University of Southampton*) "Demographics and Politics of Social Security without Commitment"
- May 20 Antoine Murphy (*Trinity College Dublin*) "Law and Turgot: The Importance of Money"
- May 27 Jonathan Hamilton (*University of Florida*) "Private Information, Coasian Bargaining, and the Second Welfare Theorem" (with D.L. Brito, M.D. Intriligator, E. Sheshinski and S.M. Slutsky)
- June 3 Silvio Rendón (*University of Western Notario*) "Job Creation and Investment in Imperfect Capital and Labor Markets"
- June 4 József Sákovics (*University of Edimburg*) "Contractual Remedies to the Holdup Problem: A Dynamic Perspective"
- September 30 Miquel Faig (*University of Toronto*), "Money and Banking in an Economy with Villages"
- October 5 Roland Fryer (*Harvard University and IAE*), "On the Measurement of Segregation" (joint with Federico Echenique)
- October 21 Garance Genicot (*Georgetown University*), "Informal Insurance in Social Networks" (joint with Debraj Ray and Francis Bloch)
- October 28 Dries Vermeulen (*University of Maastricht*), "Equilibrium Plans in Constrained Environments" (joint with Dolores Romero Morales)
- November 4 Gerard Demenil (*MODEM-CNRS*), "Trends in Capital Ownership and Income: Pension Funds in the Neoliberal Compromise" (joint with D.Lévy)
- November, 11 Kfir Eliaz (*New York University*), "Contracting with Diversely Naive Agents"
- November, 18 Diego Moreno (*Universidad Carlos III*), "The Efficiency of Centralized and Decentralized Markets for Lemons" (joint with John Wooders)

- November, 25 Paul Bergin (*University of California, Davis*), "Tradability, Productivity, and Understanding International Economic Integration" (joint with Reuven Glick)
- December, 2 Leandro Arozamena (*Universidad Torcuato Di Tella*), "The Effect of Corruption on Bidding Behavior in First-Price Auctions" (joint with Federico Weinschelbaum)
- December, 9 Andrew Postlewaite (*University of Pennsylvania*), "Consumption Commitments and Preference for Risk" (joint with Larry Samuelson and Dan Silverman)

## BARCELONA JOCS

### Seminar on game theory and its applications

#### 2003

October 27

Jordi Brandts, (*Institut d'Anàlisi Econòmica*), "24" (with Klaus Abbink)

Luis Corchón, (*Universidad Carlos III*), "Out-of-Equilibrium Trading Procedures for a Perfectly Competitive Market" (with Jose Rueda)

November 24

Antonio Cabrales, (*Universitat Pompeu Fabra*), "Corporate Downsizing to Rebuild Team Spirit" (with Antoni Calvó).

Yves Sprumont, (*Université de Montreal*), "Two Serial Cost-Sharing Methods" (with H.Moulin)

#### 2004

January 26

Enriqueta Aragonés, (*Institut d'Anàlisi Econòmica*), "Electoral Competition Between Two Candidates of Different Quality: The Effects of Candidate Ideology and Private Information" (with R. Palfrey)

Ken Binmore, (*University College London*), "Natural Justice"

February 23

David Pérez Castrillo, (*Universitat Autònoma de Barcelona*), "Sharing the Surplus: a Just and Efficient proposal for environments with externalities" (with Inés Macho and David Wettstein)

Roger Myerson, (*University of Chicago*), "Virtual Utility and the Core for Games with Incomplete Information"

March 29

José Penalva, (*Universitat Pompeu Fabra*), "Optimal Information Transmission in Private Value Auctions" (with Juan-José Ganuza)

Jean Pierre Benoit, (*New York University*), "Implementation Without No-Veto Power" (joint with Efe Ok)

April 26

Carles Rafels, (*Universitat de Barcelona*), "Uniform-price Assignment Games" (joint with Marina Nuñez)

Eric Maskin, (*Institute for Advanced Studies*), "Bargaining, Coalitions, and Externalities"

October 25

Xavier Vives (*ICREA – UPF*), "Monotonic Equilibria in Bayesian Games of Strategic Complementarities" (with T. Van Zandt)

William Zame (*UCLA*), "Marrying Markets and Contracts"

November 29

Andreu Mas-Colell, (*Universitat Pompeu Fabra*), "Stochastic Uncoupled Dynamics and Nash Equilibria" (with S. Hart)

Zvika Neeman, (*Boston University*), "Quality of Information and Incentives for Effort" (with O. Moav).

## Working Papers

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

### 2003

- 557.03 “Learning from Errors”, by Juan Enrique Martínez-Legaz & Antoine Soubeyran
- 558.03 “Bidding at Sequential First-Price Auctions with (out) Supply Uncertainty: A Laboratory Anàlisi”, by Tibor Neugebauer & Paul Pezanis-Christou
- 559.03 “The Daily Market for Funds in Europe: What Has Changed with the EMU?”, by Gabriel Pérez Quirós & Hugo Rodríguez Mendizábal
- 560.03 “An Ordinal Shapley Value for Economic Environments”, by David Pérez-Castrillo & David Wettstein
- 561.03 “Manipulation of Optimal Matchings via Predonation of Endowment”, by Gloria Fiestras-Janeiro & Flip Klijn & Estela Sánchez
- 562.03 “Does Cohesion Policy Work?”, by Angel de la Fuente
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