Ireland Leads Department

After six years at the department’s helm, Dick Tresch relinquished the chair’s office to Peter Ireland this July 1. Dick presided over the department’s initial response to its identification as a UAPC “targeted department,” skillfully negotiating with deans to ensure that we had maximum flexibility in the hiring process. That work paid off, as a glance at the current faculty roster will demonstrate--with many of the most prolific and well-known faculty members having joined the department during his tenure.

One of the aforementioned prolific senior hires is Prof. Peter Ireland, who has accepted the challenge of leading the department for the next three years. A clear benefit to his new role is that he now views child care of his four-month-old son much more favorably. Peter is an established researcher in monetary and macroeconomics, and plans to take lessons from Dean Quinn to ensure that he has the time to keep his hand in and pursue his active research program. Ireland is enthusiastic about the department’s opportunities to make further strides in attracting top-notch faculty and graduate students, and looks forward to playing the role of Moses in January 2002--when (can we dare say it?) the department might actually have the opportunity to move to more salubrious quarters in a new building on lower campus.

Fabio Ghironi joins faculty

Strenuous activity in the job market this year turned out as a fish story: we can tell you about the ones that got away, at both senior and junior levels. The competition for first-rate faculty at either level is tough, and the department’s standards for excellence in hiring ensure that we’re not going to be the only prospective employer who properly values the candidate’s talent and potential. Nevertheless, although there were some disappointments, we have very good news to report as well. The faculty are very pleased to welcome a seasoned macroeconomist, Fabio Ghironi, who will be joining us in January 2001 from the Federal Reserve Bank of New York. Ghironi is a 1999 Ph.D. from University of California-Berkeley with a number of publications to his credit.

Although our second Fabio will be a real plus in the macro/money area, a field that always seems understaffed, we have also lost a veteran member of that group: Joe Bob Peek, who left us this summer for greener pastures (read that as you will). Joe is now the Gatton Chair of International Banking and Financial Economics at the University of Kentucky’s Gatton College of Business and Economics. Joe joined the faculty in 1978, and was promoted to professor in 1989. As faithful readers of Faculty NewsNotes will recognize, Joe has published prolifically in these fields in recent years, and it is hardly surprising that those deep pockets that so many b-schools enjoy were able to provide a very attractive offer. We will miss Joe’s wise counsel (and Okie twang) in faculty meetings and the hallways.
COMMENCEMENT 2000

Graduation exercises were held on May 22 at Alumni Stadium under a long-awaited sunny sky, lifting the graduates’ spirits even higher. The department was well represented by a fine contingent of students. This year’s Ph.D. graduates chose the following dissertation topics, listed chronologically according to date of defense: Oriana Bandiera, “Economic Institutions in Developing Countries”; Martin K. Konan, “Labor Hoarding and Unemployment in Central and Eastern Europe (1981-1995)”; Michael L. Hansen, “College Graduates in Non-College Jobs: Theory and Evidence”; Benoit Durand, “On the Efficiency of Vertical Territorial Restraints”; Gurkan S. Oguz, “Investment, Money, and Stock Prices: Empirical Studies”; Emanuela Galasso, “Essays on the Welfare of Children in Developing Countries”; and Silvia Ardagna, “Essays on Fiscal Adjustments.” Scott Fontaine, Zhining Hu, Petia Petrova, Tairi Room, Mirco Soffritti, and Li Wang received Master’s degrees. All will be continuing in the Ph.D. program, except Li Wang who has chosen to pursue other venues.

Adding to our pride in the accomplishments of our graduates was the news that a Graduate School committee had selected Michael Hansen’s thesis as the most outstanding dissertation in the Social Sciences. Michael received the first annual Donald J. White Prize at Commencement. This was a special honor for him and for the department. Congratulations to Michael and to all who proved they possessed the necessary mettle and ability to reach the finish line.

Topping off a wonderful day, the Graduate School of Arts & Sciences chose Oriana Bandiera as the representative recipient for all Ph.D. graduates at the Alumni Stadium ceremony, a special honor for Oriana and the department. Oriana’s proud parents journeyed from Sicily to attend the festivities.

Smiles of relief graced the faces of our job-market candidates as they wiped their brows after several months of inherent anxiety gave way to the relief of the satisfying results noted below. Their efforts culminated in offers that flowed in from such diverse areas as the University of Alberta, Bocconi University, Concordia University, University of California at Santa Cruz, University of New South Wales, Tilburg University, Vanderbilt University, Wellesley College, IRIS Center at the University of Maryland, ZEF (Center for Development Research at the University of Bonn), Abt Associates, The Brattle Group, CNA Corporation, the International Monetary Fund, Economic Research Services—Social Security Administration, The World Bank, US Bureau of the Census/Commonwealth of Massachusetts, and London Economics. The candidates weighed the merits of the offers and made their choices. * Silvia Ardagna accepted a tenure-track offer from Wellesley College. * Kevin Cahill chose to accept an offer from Abt Associates, which will enable him to pursue his interests in health economics research. * Metin Celebi’s focus was on consulting and Metin found his match at The Brattle Group, located just across the river in Cambridge. * Emanuela Galasso has long been interested in research and that interest has paid off in a position with the Young Professionals Program at the World Bank. * Nikolay Gospodinov has chosen a career in academics and he will be traveling north to Concordia University in Montreal. * Antonio Menezes will be flying to Europe to accept a post-doctoral fellowship at Fondazione Rodolfo DeBenedetti, Università Bocconi, Italy. * Our sincere congratulations to all on their success!
Jim Anderson’s “Trade Reform Diagnostics with Many Households, Quotas and Tariffs” is forthcoming in the Review of International Economics. Originally presented at the CEPR Conference on Trade and Location in Lund, August 1998, “Trade, Location and Security,” with Douglas Macouiller, was revised extensively and presented anew at the NBER, April 1999, at the ESEM, Santiago, Chile, August 1999, and once again at the WTO Conference, Seattle, December 1999. Jim presented “Trade and Contract Enforcement” at the University of Copenhagen, at the Norwegian School of Economics in Bergen, June 2000, and had previously presented it to the Econometric Society meeting in Boston in January, at Tufts and Brandeis in March, and at Rice and the University of Texas-Austin in April 2000.


Kit Baum found time to return to research after the flurry of conference activity, and had two articles recently accepted: “Nonlinear Adjustment to Purchasing Power Parity in the post-Bretton Woods Era,” with alumni John Barkoulas and Mustafa Caglayan, to appear in Journal of International Money and Finance, 2001, and “Waves and Persistence in Merger and Acquisition Activity,” with John T. Barkoulas and Atreya Chakraborty, appearing later this year in Economics Letters. Baum, Barkoulas and former CSOM prof Nick Travlos also published “Long Memory in the Greek Stock Market” in Applied Financial Economics, 10:2, 177-184, 2000. Baum has been actively producing econometric shareware for use in the Stata programming language, coauthoring “Test for autoregressive conditional heteroskedasticity in regression error distribution,” “Tests for serial correlation in regression error distribution”, “Tests for heteroskedasticity in regression error distribution,” and “Metadata for user-written contributions to the Stata programming language” which appear in issues 52 and 54 of the Stata Technical Bulletin. The statistical software component archive he maintains attracts about 6,000 downloads per month of Stata-related user contributions. Leveraging on his work with the RePEc initiative (http://repec.org), Baum presented “Enhancing information flow via linked metadata archives” at the AUBER conference, Little Rock, in October, and “Enhancing access to statistical software tools and datasets for research and instruction” at the 6th UK Stata Users’ Group meeting this May at the Royal Statistical Society in London. Baum was elected to the Advisory Council of the Society for Computational Economics last fall. His efforts on campus have been centered around new departmental computing facilities (see story, p.12) and the Minor in Scientific Computation. AVP for Research Mick Smyer has appointed Kit to coordinate the new Graduate Statistical Assis-

Continued, p.4
tant initiative, which is designed to provide front-line paraprofessional support to meet the statistical computing needs of BC faculty and graduate researchers.

David Belsley attended the Barcelona meetings of the Society for Computational Economics, “Computing in Economics and Finance,” this July. He organized eight sessions for the conference (one of which he chaired) and delivered a paper entitled “Correcting for Heteroskedasticity Using an Unbiased Estimator of sigma(t) squared.” A special issue of *Computational Economics, “Computational Economics and Finance at Boston College,”* edited by Professor Belsley, will appear shortly. This issue is the result of the meetings of the Society that took place at Boston College last summer. The special issue of *Computational Economics,* “Computational Studies at Cambridge,” edited by Professor Belsley was just published.


Sciences and Urban Economics 30, 289-324, 2000. Hideo’s presentations included “Coalition Formation and a Dynamic Process,” with Debraj Ray, at NYU, at the Midwest Mathematical Economics Meeting at the University of Illinois at Urbana-Champaign, October 1999, and at the Canadian Economic Association Meeting in Vancouver, Canada, June 2000; “Migration-Proof Tiebout Equilibrium: Existence and Asymptotic Efficiency,” with John P. Conley, at the University of Illinois and at the Regional Science Association International Meeting in Montreal, Canada, November 1999; “Anchor Stores,” with Mike Sandfort at SMU, at the International Conference on the Frontiers in Spatial Economics in Kyoto, Japan, July, 2000, and at the Public Economic Theory Conference in Warwick, UK, July 2000. Hideo also presented “Coalition Formation and a Dynamic Process,” in seminars at the University of Montreal, Canada, March 2000, and at Ohio State University, May 2000. He will be traveling during the summer to the University of Tokyo, Tsukuba University, and Osaka University, where he will present “Coalition Formation and a Dynamic Process” and “Anchor Stores.”

Marvin Kraus presented “The Commuter’s Time-of-Use Decision and Optimal Pricing and Service in Urban Mass Transit” at the Harvard University Urban Seminar, March 2000. This is a joint paper with Yuichiro Yoshida, a Ph.D. candidate in the Department.

Arthur Lewbel has written the following articles, all forthcoming: “Semiparametric Qualitative Response Model Estimation with Instrumental Variables and Unknown Heteroscedasticity,” in Journal of Econometrics; “Demand Systems With and Without Errors,” in American Economic Review; and “Identification of the Binary Choice Model with Misclassification,” in Econometric Theory. Arthur continues to work on a grant from the National Science Foundation, awarded in 1999, to investigate “Semiparametric Limited Dependent Variable Estimators, with Applications.” Juggling many balls at once has never been a problem for this expert! Perhaps some of you would like to read Arthur’s “The Academic Juggler,” featured regularly in Juggler’s World Magazine, “devoted to the scientific analysis of Juggling.”


Serena’s accomplishments take on greater meaning, considering the sub-zero temperatures in which she labors. When she moved from Montreal to Boston, she thought she was going to warmer climes. Wrong!


OMICRON DELTA EPSILON

The Boston College Chapter of ODE experienced another busy year. Members continued the tradition of tutoring in the Academic Development Center and the Office of Learning Resources for Student Athletes. They also organized two peer-advising sessions for new majors during the registration periods. A “standing-room only” crowd of the University community listened to Professor Jim Anderson of Boston College, Professor Richard Freeman of Harvard, and Professor Dani Rodrik of the Kennedy School at Harvard present their opinions at a panel discussion on “The Global Economy: Blessing or Curse?” co-sponsored by the Economics Department Honors Program and ODE. Alicia Munnell, Peter Drucker Professor in the CSOM Finance Department and director of the Boston College Center for Retirement Research, was the featured speaker at the annual dinner, at which ODE inducted thirty-eight new members.

Cheney Fund Supports Undergraduate Excellence

The endowment of the Cheney Fund reached $100,000 this year. Many thanks to all the alumni and friends who have supported the Fund so generously over the past eleven years! Because of this outstanding support, the Department continues to award Cheney Scholarships each fall. This year Michael Ballan and Laura Dickman, both from the College of Arts and Sciences, received scholarships to help offset senior year expenses. Michael graduated with Latin honors as an economics major and theology minor. He was a member of Omicron Delta Epsilon, the Economics Honor Society, and was also active in the Investment Club. He participated in the intramural sports program and was especially interested in bodybuilding! His volunteer work included a trip with the Appalachian Volunteers. He is now working for Massachusetts Financial Service Investment Management in Boston.

Laura, who also graduated with Latin honors, combined a math minor with her economics major, and she put this combination to good use in her work as a tutor. She, too, was a member of Omicron Delta Epsilon. Her sporting interests ranged from ice hockey, two years on the women’s team, to intramural softball. Laura has accepted a position as a paralegal in the Antitrust Division of the Department of Justice and plans to attend law school or do graduate work in economics after a couple of years.

SENIOR HONORS THESSES FLOURISH

Bob Murphy returned this year to lead the Honors Thesis students into the new millennium, and this year’s cast of thesis writers delved into an array of topics important to many. Jeremy Zipple considered “The Wealth-Illusion Effect: Implications for Retirement Plans,” while Kris Sarajian queried “Why Don’t People Participate in 401(k) Plans?” both under the supervision of Alicia Munnell. Leonard Coyer pursued “What Determines the Price of Rare Comic Books?” (Don’t you wish your mother hadn’t made you clean your room?) and Say Keat Lim chose to look into “Economics and Psychology,” both under the tutelage of Don Cox. Marina Travayiakis evaluated “The Underground Economy,” under the supervision of Tommaso Monacelli. Tom Hollenberg tackled “Labor Productivity Growth in the 1990s.” Alison Setterberg asked “Has the Wealth Effect on Consumer Spending Changed during the 1990s?” while Anya Kuznetsova studied “The Economics of Running a Boarding School.”
EXCELLENCE NOTED

Mike Giandrea, Teaching Fellow, and Joy Ongardanunkul, Teaching Assistant, were named winners of the Graduate School of Arts & Sciences 1999-2000 Donald J. White Teaching Excellence Awards for the Department of Economics. Many graduate students submit relevant material each year, hoping to win the award, so it is an honor for Mike and Joy to be chosen. Congratulations to both for their exemplary contribution to the teaching profession. Mike and Joy received their awards and were honored at a ceremony hosted by Academic Vice President John Neuhauser on Thursday, May 11.

Congratulations to Tiziana Brancaccio, Helen Connolly, Cesare Robotti, and An Yan, who were this year’s winners of the Graduate School of Arts & Sciences Dissertation Fellowships. Each recipient will have one semester free from all departmental teaching assignments to devote to completing, or making great strides, on their dissertations. Kudos to Vasso Ioannidou, Anna Krivelyova, and Rachida Ouysse who have been honored as the recipients of the H. Michael Mann Summer Dissertation awards.

AND THE BEAT GOES ON

Sarah Glavin (Ph.D. ‘92) and her husband Don became parents for the second time on March 14, welcoming a second son, Dean Andrew, into their family. Peter Ireland and his wife Mary welcomed son Conor Finn on April 20. Conor joins sister Chloe at home. Joanne Doyle (Ph.D. ’93) and her husband Randall Switz became first-time parents to Samuel Doyle Switz on March 27, 2000. It looks as if this year’s Stork Market figures are like the Stock Market’s. After years of bull markets, the bear is rearing his head.
Alumni News Notes

Alumni News... from p.9

Boston for the AEA meetings in January, where he ended his reign as president of the Omicron Delta Epsilon Honor Society. In October, Gov. Paul Cellucci presented Samanta Paladino (M.A. ’97) with “The Commonwealth of Massachusetts Citation for Outstanding Performance” for her department, the Massachusetts Department of Telecommunications and Energy. Maria Laura Parisi (ABD) has obtained a research position for at least two years at Padova University, located in northeastern Italy. Susan M. Wachter (Ph.D. ’75) has been named Assistant Secretary for Policy Development and Research at HUD. Greg Swinand (Ph.D. ’99) will be embarking on a new adventure as he moves to Ireland in August to join Indecon International Economic Consultants. Greg will be involved with energy economics, utility economics, and labor/productivity economics, focusing on EU restructuring. He and his family will be living in Wicklow, County Wicklow. After many years of serving in the teaching ministry at Notre Dame College of Ohio, Sr. Beth Anne Tercek (Ph.D. ‘93) has received a new assignment, as of July 1, as Finance Manager at the Provincial Center of the Sisters of Notre Dame in Chardon, Ohio. Sister will keep her faculty status, but as an adjunct. In January, Sister Beth Anne journeyed with the Gesu Choir to Rome and environs, where they delighted the Pope with songs in both English and Polish. Late-breaking news: The Board of Trustees at Notre Dame College of Ohio has promoted Sr. Beth Anne Tercek to the rank of full professor, and, at final convocation, her colleagues awarded her with the Distinguished Faculty Award. Clifford F. Thies (Ph.D. ’82) published “The Success of American Communes” in Southern Economic Journal, 2000, 67, 186-199. Thanks to Mary Joyce (Ph.D. ’92) and P.J. Nigro (Ph.D. ’92) and Van Newby (Ph.D. ’94) and his wife Bethany for keeping in touch and sharing their family fun. We all enjoy a chuckle and marvel at the passage of time as we read their Christmas letters and watch their children grow.

Faculty News Notes... from p. 6


Fabio Schiantarelli’s “Does Financial Reform Raise or Reduce Savings?” with O. Bandiera, G. Caprio, Jr., and P. Honohan, was published in Review of Economics and Statistics, May 2000. He will be adding to his publications with the following articles: “Monetary Instability, the Predictability of Prices and the Allocation of Investment; An Empirical Investigation Using UK Panel Data,” with P. Beaudry and M. Caglayan, American Economic Review; and “Form of Ownership and Financial Constraints,” with A. Sembenelli, Empirica, both forthcoming.


Seminars... from p.8

featured: Jeroma Adda, University College, London, and Russell Cooper; Sam Kortum, Boston University; Fumio Hayashi, University of Tokyo; Pierre-Olivier Gourinchas, Princeton University; Satyajit Chatterjee, Federal Reserve Bank of Philadelphia; Zheng Liu, Clark University; Bill Dupor, Wharton School; and Luis Serven, The World Bank.
Undergraduate alumnus a leading scholar in comparative economics

John P. Bonin (B.A. ’66) is a professor of economics at Wesleyan University, Middletown, CT. John writes that he likes to keep in touch with the department through the Newsletter. His areas of specialization are in Soviet economics, mathematical economics, and applied microeconomic theory. While rising through the ranks at Wesleyan, John has had an interesting and varied career as a visiting lecturer, research fellow, and professor at universities such as the University of California at San Diego, University of British Columbia, University of London, University of Washington at Seattle, Yale School of Organization and Management, and the Institution of Management, Berlin. He has been editor of the Journal of Comparative Economics since 1966, is the author of many publications, and is very active professionally; in fact, his résumé would just about equal the Newsletter in length. Congratulations, John, and thank you for letting us know how much you enjoy hearing about the place where it all began! Since you haven’t been here for a long time, you might not recognize the campus. You may rest assured that Carney wouldn’t present a problem, though, as Carney has changed only in age.

BC Econ on the Web

Have you visited our department’s Web home page recently? The “Spotlight” button contains links to events of interest in the department, and pictures of social happenings. So stop by and check it out!

http://fmwww.bc.edu/EC/

The department website was produced in a Windows-free environment from 100% recycled electrons. Think Different!

DEPARTMENT GAINS POWERFUL COMPUTING FACILITY

Last fall, the department requested major funding from the University for a UNIX computer system that would satisfy the current and projected needs of faculty and Ph.D. students performing empirical research. Approval of that request led to the installation of the new system, econ.bc.edu, in February 2000. The system is a four-processor Sun Enterprise Server 450, with a gigabyte of RAM and 45 gigabytes of disk storage, readily expandable to 3-4 Gb RAM as demand warrants. The system cabinet, which currently houses five disk drives, can accommodate up to 20 18 Gb drives. This powerful system complements the facilities provided by fmrisc.bc.edu, the shared IBM RS/6000 system, which has been expanded to its design capacity. The fmrisc system will continue to provide access to a number of software tools to all economics and finance graduate students and faculty, while econ.bc.edu is reserved for those with needs for its capabilities. These systems have essentially replaced the DEC Alpha (“VAX”) for almost every purpose. All members of the University community may use econ.bc.edu to access economic and financial databases such as DRI Basic Economics, International Financial Statistics, and World Development Indicators, available through a Web browser interface designed and implemented by system administrator Kit Baum.

Many of the department’s empirical researchers are making use of the Stata language, which has strong cross-platform capabilities, provides excellent programming tools for working with cross-section, time-series and panel data, and is available on both fmrisc and econ.bc.edu. First-year Ph.D. students are introduced to Stata in their econometrics course, and it is available on all graduate student workstations in the department as well as the University’s SLSC lab in O’Neill Library. Both UNIX systems provide access to MATLAB and Ox, an alternative matrix language, as well as perl, FORTRAN, and C. After an abortive attempt to provide reliable Windows NT support on IBM PC hardware, all graduate student systems are now Power Macintosh G3s or G4s; the seven G4s provide Windows 98 support via Virtual PC. About one-third of the faculty rely on Windows desktop systems, while the rest (and our three staff members) use Mac OS systems.