New PhD Curriculum to debut in 1996-97

Following the recommendations of last year’s External Review Committee, the graduate faculty have adopted a set of revisions to the PhD curriculum which will streamline and strengthen the presentation of core topics. The review committee, chaired by MIT’s Robert Solow, felt that coursework for the PhD could be completed within two years, with theory sequences completed in the first year. A set of ad hoc committees coordinated by Marvin Kraus considered these recommendations and a number of associated topics, such as the need to improve sequencing of mathematical economics and theory and the timing of comprehensive examinations, and presented a draft package of revisions to the full faculty in April. Current PhD students played an important role in the redesign process as well. The full set of revisions will come into effect in the 1996-1997 academic year.

The most significant changes will involve the treatment of micro and macro theory, which have each been taught for many years in three-semester sequences. In the last several years, many of these courses have been “modularized” into half-semester offerings to best utilize the expertise of the faculty. The first year curriculum has also included a two-semester sequence of mathematical economics, one semester of mathematical statistics, and one semester of introductory econometrics. Second-year PhD students have completed their theory sequences in the fall and taken an applied econometrics course in the spring semester. With 18 courses being required for the doctorate, students have taken an additional seven electives from the various fields in the second year, with their last two or three courses completed in the third year.

To enable reduction in course requirements to 16 semester courses (four per semester for two years), all four core sequences have been reduced by half a semester, with innovative timing of first-year courses permitting mathematical economics required in theory offerings to be presented before it is applied. This is achieved by delaying the start of what is now a 2.5 semester statistics/econometrics sequence to mid-fall; the econometrics sequence is completed with a combined econometrics/applied econometrics offering in the fall of the second year. Second-year students may then complete all seven elective courses, or may choose to delay one or more to their third year if they wish.

Under the new regime, micro and macro theory comprehensive examinations will be offered in June and September, with up to three attempts permitted. Since students will complete theory in the first year, those taking the comps in June (and September if necessary) will be able to clear this hurdle before the start of second-year coursework, enabling better concentration on field courses and the development of a research plan for the dissertation.

While these curricular revisions should strengthen the PhD curriculum, the new scheme does not lend itself well to a terminal Master’s program. The department will continue to offer the Master’s degree in course, and to those who complete the required coursework and examinations and decide not to pursue the PhD, but will not actively promote the terminal Master’s degree in future years.
Kristin Butcher Strengthens Labor/Development Field

The Economics Department’s introduction of graduate coursework in development economics, drawing upon the cognate fields of labor, industrial organization and monetary economics, will be further strengthened by the addition of Prof. Kristin Butcher to the faculty this fall. Butcher, a 1993 PhD from Princeton, comes to us from VPI, where she has taught since 1992 at both undergraduate and graduate levels. She also received a M.Sc. in Economics from London School of Economics in 1987, doing her undergraduate degree in economics at Wellesley College. Her work at Princeton was under the supervision of David Card, Anne Case and Angus Deaton, and led to joint papers with Case in Q.J.E. (“The effect of sibling sex composition on women’s educational attainment and earnings”) and with Card in the A.E.R. Papers and Proceedings. Her research interests include labor economics, development economics, and applied microeconometrics. Butcher will work with Profs. Doug Marcouiller, Jim Anderson, Chris Canavan and Don Cox in designing a full two-semester PhD sequence in development economics and strengthening undergraduate offerings in this field. Despite the sizable foreign contingent in our graduate population, we have not offered graduate coursework in this field in recent memory, depending on the consortium arrangement with B.U., Brandeis and Tufts to provide courses. With several faculty having interest and expertise in this field and the fusion of development economics as a field with several established fields, the time is ripe for development to be added to our elective fields. Offerings will commence in Fall 1995, with a one-semester course in economic development team-taught by Profs. Marcouiller and Anderson. A full sequence should be in place for the 1996-97 academic year.

Bentley MacLeod Joins Senior Faculty

Ongoing efforts to strengthen the department’s senior faculty ranks have met recent success in the hiring of Bentley MacLeod, an applied microeconomic theorist with impressive credentials. MacLeod comes to BC from Université de Montréal, where he has served as Associate Professor, Professor and most recently Deputy Director of the university’s Center of Research and Development in Economics. He received his undergraduate degree from Queen’s University, earning a Masters in applied mathematics from that institution in 1979 and his doctorate in economics from British Columbia in 1984, studying “Perspectives on Oligopoly Theory.” MacLeod has also served as a faculty member at Queen’s; as a research fellow at CORE, in Louvain; and as a visiting professor at Universidad Autonoma de Barcelona and Princeton.

MacLeod states that his research interests lie in the areas of “labour economics, incentives and organisations.” He has published widely, with more than two dozen articles in refereed journals such as Canadian Journal of Economics, Journal of Labor Economics, A.E.R., E.E.R., Economic Journal, International Economic Review, Q.J.E. and Econometrica, and serves on the editorial board of Journal of Comparative Economics. His presence will surely enhance our department’s considerable strengths in applied microeconomics and labor economics.

Cecchetti not to stay; Spolaore returns

Last year, we reported that Prof. Stephen G. Cecchetti, a noted macro- and monetary economist, had joined the department in the capacity of a visiting professor, with the intention of remaining at Boston College. Although Steve’s year at BC was mutually agreeable, his wife was unable to secure an appropriate position in mathematics in the area, and they regretfully left this summer. We wish Steve and Ruth well.

Continued, p.3
Changing of the Guard

Last year’s BC • EC indicated that the post of department chair was open. Seasoned veteran Dick Tresch was unable to resist another tour of duty; although he protested that his Principles text was already in need of revision following the Republican takeover of Congress, he was unable to resist Joe Quinn’s persuasive powers, and took over the chair from Joe in January 1995. Joe, meanwhile, has moved up (literally, to the palatial fifth floor of McGuinn Hall) to the newly created post of Faculty Representative to the NCAA, and chairs the Athletic Advisory Board, working closely with Fr. Monan and athletic czar Chet Gladchuk to ensure that BC’s student-athletes live up to that title. A recent New York Times story on graduation rates of student-athletes and the general undergraduate population mentioned BC favorably in two categories. Although it is too soon to attribute any of this success to Joe’s efforts, we are certain that his work along these lines will bring the same good judgment to BC’s athletic efforts as was evident in his six years in the chair.

Meanwhile, on the second floor, Kit Baum relinquished direction of the graduate program to another veteran—Marvin Kraus—in June 1995. Kit spent five years in the role, during which time many of the graduate program’s functions were computerized, permitting administrative secretary Mary Foley to better handle an increasing flow of PhD applicants (and in recent years, a larger number of graduates as well!) Marvin coordinated the efforts of several ad hoc committees concerned with graduate program revisions, and is thus the logical candidate to oversee transition of the program to the new curriculum in 1996-1997. One change in the job description: at Marvin’s request, the aspects of the job relating to print and electronic publications (including this newsletter) have been placed in the technology portfolio, and will continue to be supervised by Baum.

Cheney Scholarships Awarded

Last fall, the Department announced that David Casanova and Ellen Dorsey had been awarded Cheney scholarships to help cover expenses for their senior year. That they were both students in the College of Arts and Sciences and that both were members of the Department’s honors program was not surprising. That they both chose to write theses under the direction of Don Cox is! Don had a busy year! David, who was also a member of the College Honors Program, wrote a thesis entitled “The Effects of Expected Future Pension Benefits on the Saving Decisions of Households.” Ellen’s thesis was “The Decline in Economics Majors at BC”; as a result of her thesis work, Ellen became somewhat of an expert in survey design.

Spolaore...from page 2

This column also reported that Enrico Spolaore, visiting the department in 1993-94, had left for Brussels. The lure of the Boston area has apparently overwhelmed the lack of good local chocolate (and Belgian beer!), and Enrico will be returning for another visiting stint in 1995-96. This is very welcome news to us all, especially to several PhD students who found his research interests very much in line with theirs. We are very pleased to welcome Enrico back to the Heights.
Carney Hall Renovation Plans Unveiled

After many years of indecision, the University administration revealed plans for the complete renovation of Carney Hall before the turn of the century. An architectural analysis of the 45-year-old building led planners to propose a course of action for the redevelopment of this section of Middle Campus which would entail the demolition and replacement of McElroy Commons and substantial changes to Carney Hall. The proposals, complete with architect’s renderings of the area, include the construction of three new buildings—one on the site of McElroy, and two extending along College Road towards Lyons Hall. Two of these buildings would be used to house many of the faculty and staff now crammed into Carney offices. Under the current scheme, the departments of economics, history and mathematics would be tenants in a renewed Carney, along with some elements of Information Technology. This plan entails removing all Carney occupants in May 1997, with completion of renovations in time for September, 1999 occupation. (If this schedule can be adhered to, it will—barely!—prove wrong those doubters who claim the millenium will be upon us before our space needs are met). These plans are welcome news indeed to economics faculty, staff and student populations. Last year’s External Review Committee judged space needs to be the one aspect of University support for the economics department which was clearly found wanting, and at that time lacking a concrete plan for relief. Although there are many hurdles before these construction plans can be acted upon and our space needs addressed, these plans for action are indicative of University concern about the clearly inadequate facilities provided to our department and a number of other academic units. We hope to soon have facilities on a par with our colleagues in the Carroll School of Management, who moved into the extensively renovated and enlarged Fulton Hall this last January.

Technology Improvements Underway; BC • EC on the World Wide Web

A University-wide project to update desktop workstations kicked off in Carney Hall this last February, when six departments (including Economics) received more than 50 new workstations for faculty and staff. The new desktop system for most faculty and staff is now the Macintosh Quadra 630, well-equipped with RAM, a large hard disk and that essential CD-ROM player for grooving to the tunes—oops, we meant performing keyword searches on the Journal of Economic Literature, CD-ROM edition. Each workstation is directly connected to the Internet via a built-in Ethernet port. A few faculty with “special needs” received more powerful Power Macintosh systems.

Moving beyond the desktop, two technology developments are worthy of note. In mid-1994, an IBM RS/6000 UNIX workstation released by the chemistry department became available for economics and mathematics departments’ use. Since that time, the system—which is co-managed by Math Prof. Richard Jenson and Kit Baum—has been equipped with a number of useful packages unavailable elsewhere, including the Stata statistical package, GAUSS, and the GAMS modelling language. It also supports Mathematica “remote kernel” usage and the RATS econometrics language. The machine is accessible via telnet from any on-campus workstation, or via dialup, and has been receiving heavy use, especially by Stata and GAUSS users. A request for its upgrade to a newer model has been submitted, and has received the support of the academic administration. Economics has also been in the front line of BC academic departments’ development of World Wide Web (WWW) materials. At press time, we are in the process of installing a new, more powerful Web server to be shared by Economics and other Carney departments. By late September you should be able to Continued, p.5
The Class of 1995


M.A. degrees were awarded to Scott R. Browne, Stephanie C. Cappiello, Thomas E. Duggan, Michael J Kozy Jr., Brendan K. Lowney, Steven M. Gandt, Cigdem Kogar, Anthony F. Pacione, Claudio Piron and Laura L. Stone.

World Wide Web. from p.4

to reach the department’s home page on the Web by pointing your Web browser (Netscape Navigator preferred) at http://infoeagle.bc.edu and following links to the Economics offerings. A prototype version of the department’s home page contains considerable information about the department, including a roster of faculty, descriptions of the undergraduate program, honors program, and graduate programs, syllabi for last semester’s course offerings, and a list of recent faculty publications by field. The home page also presents detailed information on recent working papers (mirroring the entries available to Web-crawlers world wide via the NetEc service at http://netec.wustl.edu/NetEc.html), and will soon contain full curriculum vitae for the faculty. The full text of selected working papers should also be accessible soon via the Internet (again, check the NetEc site). We will eventually make BC•EC accessible on-line, probably as an Adobe Acrobat document, and will provide HTML forms for the request of program information and the submission of news items. Please contact us (at the masthead address) with any suggestions for how we might improve the Department’s presence on the World Wide Web.

Graduate Student Awards Conferred

Congratulations to all the winners in the strong competition for graduate student awards. Teaching fellow Michael Salve was selected as the outstanding teacher of the year, while Martin Konan garnered the teaching assistant prize. David Mishol and Mark Sarro received the H. Michael Mann summer dissertation award and Neslihan Ozkan received a GSAS Summer Dissertation Award. Susan Bellers and Kristian Uppenberg received GSAS Dissertation Fellowships, allowing each a semester to speed development and completion of their thesis research.


Kit Baum and Olin Liu (Ph.D. ’94) presented joint work, “An Alternative Strategy for Estimation of a Nonlinear Model of the Term Structure of Interest Rates,” to the European Meetings of the Econometric Society in Maastricht last August. A revised version was presented at the October 1994 Meetings of the Financial Management Association, St. Louis and the 1995 Winter Meetings of the Econometric Society, Washington, DC, in January. Kit also participated in the international conference on financial constraints organized by Fabio Schiantarelli in Bergamo, Italy in October. Last May, Kit and Basma Bekdache (Ph.D. ’95) presented “Modeling Returns on the Term Structure of Treasury Interest Rates” at the First International Conference of the Society for Computational Economics at University of Texas-Austin; this paper is under consideration for a conference volume. His joint paper with John Barkoulas (Ph.D. ’95), “Risk Premia in the Foreign Currency Futures Basis,” was also presented at the St. Louis FMA Meetings. He is serving on the Program Committee for the next conference of the Society for Computational Economics.

Kit also played a major role in planning and expediting the technology overhaul that took place last February. He has been involved with acquainting colleagues with the Internet and

Continued, p.7
the World Wide Web, participating in workshops for CSOM faculty organized by librarians Pearl Alberts and Barbara Mento, and presented two sessions on Research Computing and Effective Use of the Internet to a University-wide technology workshop for faculty and administrators last May, organized by the Academic Technology Committee, on which he serves. He has also been active in the newly-formed Mass. Tech Corps, an initiative aimed at helping K-12 schools use technology effectively. In his spare time, Kit enjoys no longer having to sign all those grad registration forms!

Dave Belsley delivered papers in Siena, Italy and Berkeley, California. He has declared, “A more ideal site for a scholarly conference would be difficult to find than the Certosa di Pontignano, just north of Siena in Italy. The paper I gave there, The Relative Power of Padded Zeros in Tests of Serial Correlation Using Artificial Regressions: a Monte Carlo Study, did not appear to influence the outcome of the Palio, which we were privileged to observe a few days later, but the converse may be true.” If Dave can get the authors in line, he plans to edit a volume of papers from this conference. Dave adds, “The Berkeley conference, an annual Econometrics affair led by Dan McFadden and Paul Ruud entitled the NSF Simulation and Estimation Symposium, made gallant efforts to compete. It was a week-long affair broken in the middle by a few days’ trip to Yosemite. It is not clear whether the paper I delivered there, “Monte Carlo Sampling Methods Using Mathematica,” had any effect on the height of El Capitan, but there are some who were nice enough to say it was possible (although the direction of change was left unspecified). In any event, a variant of this paper will appear as a chapter in Hal Varian’s second volume of Economic and Financial Modeling with Mathematica.” In May Dave delivered “Generating Random Numbers in Mathematica” at the second annual conference of the Society for Computational Economics in Austin, Texas. In addition to Kit Baum, several BC students or alumnae were also on this program: Basma Bekdache (Ph.D. ‘94), now on the faculty of Wayne State University, delivered the paper “Explaining Term Premia Using Multiprocess Mixture Models: Evidence from the Term Structure,” and Meral Karasulu (Ph.D. candidate) delivered “Modelling Expected Realignments.”

Faculty News... from p.7


Marvin Kraus has written “Financing Capacity in the Bottleneck Model,” with Richard Arnott, which has been accepted for publication in the *Journal of Urban Economics*. An earlier paper of Marvin’s which appeared in the same journal, “Scale Economies Analysis for Urban Highway Networks,” is one of the forty-one papers that make up *The Economics of Transport*, Edward Elgar, 1994, a two-volume set of transportation classics edited by Herbert Mohring.


Frank McLaughlin presented “Remarks on Michael White’s Pluralism and Secularism in the Political Order: St Augustine and Theoretical Liberalism,” at the Boston College Institute on Religion and Politics in January 1995. For the tenth straight year Frank participated in the Trade Union Fellows Program at Harvard University from January to March. Frank was the keynote speaker at the Hudson, MA, High School graduation in May, emphasizing the importance of friendship and community to the assemblage.

Robert Murphy’s “Managing Colombia’s Oil Find,” an editorial page article, was published in the *Journal of Commerce*, September 21, 1994. Bob presented “Macroeconomic Policy Implications of Oil in Colombia” at the Conference on “Colombia: An Opening Economy?” at Lehigh University, in October 1994. He continues serving as a member of the Committee of Examiners for the Graduate Record Examination.

Continued, p.9
tion Economics Test. We’ve saved the best till last: Bob has been appointed a Senior Economist on the President’s Council of Economic Advisers and has left the academic milieu at Boston College to spend a year in the bureaucrat ambience of Washington (unless Newt and friends succeed in zeroing out the CEA budget).


Fabio Schiantarelli, with Marzio Galeotti, Università di Bergamo, and Marco Pagano, Università Bocconi and CEPR, organized a conference on International Perspectives on the Macroeconomic and Microeconomic Implications of Financing Constraints, held in Bergamo, Italy, from October 6-8, 1994. Fabio presented “A Switching Regression Approach to Investment and Financing Constraints: Panel Data Evidence for the U.S.,” with Xiaoqiang Hu, Claremont McKenna College (Ph.D. ’94). Joining Fabio at the conference were Kit Baum, session chair; Don Cox and Steven Cecchetti, Boston College and NBER, discussants; and Tuilio Jappelli (BC Ph.D. 1988), presenter. Fabio will be doing some commuting to the DC area this fall, as his wife Lisa Lynch will be taking over the Chief Economist’s position with the US Department of Labor.

Job Market Fluctuations

This year’s job candidates encountered a slowdown in the marketplace, but there were some jobs out there. Michael Salve had a strong preference for nonacademic positions and was fortunate when he found a match with Christensen Associates in Madison, Wisconsin. Michael left BC in mid-June to assume his duties. Gulcan Unal completed her work at BC last September and left immediately for Turkey to begin a tenure-track position at Middle East Technical University in Ankara. José Hernandez-Garcia has a tenure-track assistant professorship in the Department of Economics at Zaragoza University in Spain as well as a position in Zaragoza with an extension of the B.U. Business School. Meral Karasulu, who defended in July, has accepted a tenure-track assistant professorship in the Department of Economics at Bosphorus University in Istanbul. Dave Richardson has been offered another one-year appointment at Davidson, while Jim Monks has received a one-to-possibly-three-year appointment at Mount Holyoke College. Van Newby has received a one, possibly two, year visiting appointment to the faculty at University College, Cork. He and his family are looking forward to experiencing life in Ireland.
Stork Market Soars

Who knows whether the Dow Jones is up or down. Something has been happening in economics, and we’re not talking Keynes. What could it be? Could it be contagious? Could it be floating through the air? No, none of the above. The stork has established residence! Chong-en Bai and his wife Hua Yang have become the proud parents of Eric, born on June 16, 1995. Chris Canavan and his wife Kim welcomed a daughter Zoe to their family on June 25. Zoe joins her brother Nicholas at home. Still to come in August is a baby girl for Fabio Schiantarelli and his wife Lisa Lynch, and November is the month for a baby boy to arrive at Jean Feinschreiber’s and her husband Steven’s house (we’re clairvoyant).

News from present and past graduate students indicate that the soaring market continues to spread beyond the walls of Carney. We received Christmas greetings from Rachel Ward Plaksa and her husband J.P. letting us know that they had become the proud parents of a son, Benjamin. Elizabeth Dorothy Nigro was born October 8 to Mary Joyce (Ph.D. ‘93) and P.J. Nigro (Ph.D. ‘93). Mark Klock (Ph.D. ‘84) and Pam Megna (M.A. ‘83) became the parents of Ethan Brian and Justin James on October 19. Cigdem Kogar (M.A. ‘95) gave birth to a baby girl in November. David and Kristen Richardson and daughter Macon, welcomed Jacob Evans Richardson on January 26. Michael Ozog (Ph.D. ‘91) and wife Amy had a new baby boy, Gus, on July 5. Karen Palmer (Ph.D. ‘90) and her husband Phil were expecting in June, but we haven’t received the details as we go to press. Kathy Lang (Ph.D. candidate) and her husband are expecting a Christmas bundle of joy. Jim (Ph.D. ‘95) and Karin Monks are expecting a baby in January. Jim hid this fact from us for quite a while, but the news lends itself to our theory of rampant contagion in the first-floor inner hallway of the department.
Senior Honors Theses 
Reach New Heights


Swamped with Seminars!

Competition remained strong to attract an audience to the many seminars offered this year, but a sense of sanity and calm prevailed as the opposing forces armed their camps with a strong field of participants. The micro group invited Brigitte Madrian, Harvard University; Robert Rosenthal, Boston University; Michael Murray, Bates College; Preston McAfee, University of Texas at Austin, visiting M.I.T.; John Leahy, Harvard University; Alberto Bisin, M.I.T.; Rebecca Henderson, Sloan School; Mariano Tommasi, UCLA; Edwin Lai, Vanderbilt University; and Gary Biglaiser, University of North Carolina.

Lining up on the macro side were: Jim Stock, Kennedy School of Government; Steve Cecchetti, BC and NBER; Andrea Gavosto, Bank of Italy and NBER; Ricardo Faini, University of Brescia and CEPR; Steve Parente, Northeastern University; Orazio Attanasio, Stanford University; Jonathan Eaton, Boston University; Shang-Jin Wei, Kennedy School of Government; Michael Klein, Fletcher School and NBER; Patrick Asea, UCLA; and Alberto Alesina and Roberto Perotti, Harvard and Columbia Universities.

Econometrics sallied forth with: Doug Holtz-Eakin, Syracuse University; Douglas Staiger, Kennedy School of Government; Andrea Gavosto, Bank of Italy and NBER; Ricardo Faini, University of Brescia and CEPR; Steve Parente, Northeastern University; Orazio Attanasio, Stanford University; Jonathan Eaton, Boston University; Shang-Jin Wei, Kennedy School of Government; Michael Klein, Fletcher School and NBER; Patrick Asea, UCLA; and Alberto Alesina and Roberto Perotti, Harvard and Columbia Universities.