

CORE Newsletter



Highlight:

CORE experts give advice about the reform of Belgian pension system

The ageing of the population and political procrastination have confronted the pension systems of most rich countries with difficult challenges. How can we guarantee an adequate pension to the growing number of retirees without imposing too much of a burden on the working population? How can we fund the pensions of the grandpa boomers? And how can we respond rapidly to the growing concern of the younger cohorts that they have to pay more for the pensions of the elderly, while their own future pension is just a promise that is not guaranteed?

Among academics there is near consensus about some essential components of any reform, with an increase in the age of eligibility for pension benefits being the most obvious example. Yet the practical implementation of any reform immediately raises a number of difficult issues. What is the optimal balance between the unfunded public pension system and private retirement savings through tax-protected financial mechanisms? What should be the optimal balance between insurance and redistribution in the pension system? What should be the basic level of the pension, to protect those in need, and what should be the balance between this universal benefit and the need to provide income insurance with some proportionality between pensions and past earnings? How can automatic stabilizers be built into the pension system to adapt to economic

and demographic risks? How should pension design be adjusted to ensure more equitable treatment of different social groups? How should the transition be organized?

It is clear that short-run policy measures should be integrated into a broader and deeper vision of what can be a sustainable, efficient and equitable pension system. Many European countries (including France, Germany, the UK, the Netherlands and Sweden) have therefore set up commissions of independent experts to formulate proposals about a new coherent long term design.

In Belgium, Ministers De Croo and Laruelle have now also formed a commission of 12 experts that have to formulate concrete proposals for a coherent pension reform in the period 2020-2040. The commission consists of experts from academia as well as a few public top managers. It includes two CORE members: Jean Hindriks (the co-author of the Itinera-book on pensions, that was highlighted in a previous Newsletter) and Erik Schokkaert (CORE and KU Leuven, and former Research Director at CORE). The commission also includes another IMMAQ member: Pierre Devolder (ISBA).

The commission is planning to present its proposals before the parliamentary elections of May 2014, so that they will hopefully have some influence on the program of the new government.

Jean Hindriks & Erik Schokkaert

Table of contents

- 1 - Highlight: CORE experts give advice about the reform of Belgian pension system
- 2 - 2013 ECOPE Summer School
- 3 - Forthcoming scientific events
- 4 - Past scientific events
- 6 - Prize & awards
- 6 - People @ CORE
- 9 - Upcoming seminars
- 10 - Publications
- 15 - News

2013 ECORE Summer School

The 2013 ECORE Summer School on Governance and Economic Behavior took place from May 27 to May 30. This year's edition was hosted by KU Leuven and welcomed the keynote speakers **Alessandro Lizzeri** (New York University), **Tom Palfrey** (California Institute of Technology) and **Matthew Rabin** (University of California, Berkeley). Each speaker gave three lectures and, as the title suggests, the covered topics ranged from Lizzeri's results in Political Economics to Rabin's theories in Behavioral Economics, with Palfrey's experimental tests of the main Political Economic theories building the bridge between the two.

In his first lecture, Alessandro Lizzeri summarized his important and well-known research about the effects of different electoral systems on politicians' choice to allocate resources to public good provision rather than targeted spending. Making a first link with Rabin's work, the following two lectures abandoned the standard assumption of perfectly rational voters and focused on time inconsistent individuals. One of the lectures considered the incentives for politicians to exploit such time inconsistency in order to be elected. The other one characterized the conditions under which government intervention (as compared to laissez-faire) could be welfare enhancing.

Tom Palfrey's lectures were centered on the empirical validity of some of the most important results in Political Economics. The paradox of voting was considered during the first lecture. This paradox highlights the substantial difference between predicted voter turnout – which, according to theory, should be close to zero – and the one

observed in real elections. In his second lecture, Professor Palfrey focused on extensions, implications and problems of the Condorcet jury theorem – according to which majority rule implements the correct outcome almost surely when the voting population becomes very large – its extensions, implications and problems. Finally, the third lecture returned to the problem of public goods provision under different electoral systems considered by Lizzeri in his first lecture, but in a multiperiod setting.

In his lectures on psychology and economics, Matt Rabin spoke of how behavioral economics has drawn economists' attention to studying puzzles that historically have received little attention. The first lecture was dedicated to discussing why economists should be interested in studying behavioral phenomena and how scholars interested in the topic should approach testing these theories. In his second lecture Rabin introduced belief-based preferences and discussed the difficulties of identifying such preferences in observed choice. The final lecture covered the limits to human rationality, for instance when people maximize the “wrong” utility function or make biased belief updates, and what we can learn from incorporating this into economic theory.

As it is now standard with all ECORE Summer School, each of the four days was divided between lectures by the keynote speakers and presentations by PhD students. Around 40 selected young researchers from many different universities across Europe presented their work in front of the keynote lecturers and faculty members of ECARES, CORE and KU Leuven.



Observations from Jo Van Biesebroeck,
one of the organizers (KU Leuven)

“It was the first time that the KU Leuven was playing host for our new ECORE partners. The summer school's title “Governance and Economic Behavior” was deliberately broad and this was reflected in the 42 contributed presentations that doctoral students from all over Europe made in the afternoon sessions. A few things that stood out for me: theoretical IO is not dead yet, you can run experiments to study virtually everything, and the overlap between political economy and microeconomics is a lot larger than one might have thought. Thanks to the superb work of our combined support staff (Karla, Nancy, and Sylvie) everything ran remarkably smoothly. Looking forward to the next installment at ULB in 2015.”



Forthcoming Scientific Events

CORE-ILSM Lecture Series on «High-Dimensional Econometrics»



Louvain-la-Neuve, September 30-October 2, 2013



J. Fan

High dimensional models today arise in a lot of economic studies. In a linear regression model, for instance, it corresponds to the situation where the number of covariates or predictors is large, i.e., close to or larger than the sample size. The wide availability of large data sets makes this situation common nowadays. In a multivariate time

series setting, high dimensionality might also refer to the situation where a high number of time series must be

studied jointly, a common case in finance for instance.

The topic of high dimensional models is very active today because classical methods of modeling and inference (as such as estimation by GLS) are not robust to a large increase in the dimensionality of the econometric model.

During these three days, Jianqing Fan, a leading expert in this field, will present six lectures on the topic. Most of his examples will be taken from financial econometrics, although the topic will be of interest to researchers working in any field in which the number of structural parameters inflates.

<http://www.uclouvain.be/en-435653.html>

EDP Jamboree 2013

Brussels, November 21-22, 2013



CORE will be organizing the 2013 Jamboree of the European Doctoral Program in Quantitative Economics (EDP). Initiated in 1976, the EDP is a network of top economics departments in Europe (Université Catholique de Louvain, Paris School of Economics, Rheinische Friedrich-Wilhelms-Universität Bonn, European University Institute, Universitat Pompeu Fabra, London School of Economics, and Tel Aviv University) offering an outstanding research environment, high quality supervision and mobility between member institutions, leading to a large academic and professional alumni network.

All EDP students get together each year for two days devoted to seminars on special topics and student presentations. The Jamboree also exposes students to questions at the cutting edge of current research, helping them to identify a direction for their own research, as well as potential supervisors and pertinent research questions. The 2013 Jamboree will be held in Brussels on November 21-22, 2013. There will be three keynote speakers, Paul Belleflamme, Florian Mayneris and Wouter Vergote, followed by contributed sessions by EDP students.

<http://www.uclouvain.be/en-445406.html>



EuroConference Series in Quantitative Economics and Econometrics

Cyprus, December 13-14, 2013



The 2013 EC-squared Conference will be organized at the University of Cyprus. It will be the 24th such meeting. The EC² Conference series is widely recognized as being of high quality. The topic and location of the meeting changes yearly. From 2001 until 2013, Luc Bauwens was in charge of ensuring the continuity of the series. As of 2014, this task has been taken over by Peter Hansen, who is at The European University Institute. In Cyprus, the topic is

"Econometrics of Mixed Frequency Data" and the local organizer is Elena Andreou. The invited speakers are Manfred Deistler, Michael Clements, Domenico Giannone, and Ross Valkanov. Other speakers are selected on the basis of submitted papers selected by a scientific committee chaired by Eric Ghysels and Massimiliano Marcellino.

<http://ec2-2013.ucy.ac.cy/speakers/>

Past Scientific Events

Joint CEMS-NBB-CORE Doctoral Course in Finance

Brussels, June 2-4, 2013



E. Ghysels

The Center for Study in Asset Management (CESAM from the LSM research institute), CORE and the National Bank of Belgium (NBB) organized its first CEMS doctoral course in Finance on June 2-4, 2013 at the National Bank in Brussels.

This event has emerged from a gathering together of various initiatives undertaken by the participating institutions (CORE lectures series, CEMS/LSM doctoral schools, and NBB) and is expected to be organized on a regular basis on other advanced topics related to financial econometrics that would be relevant for the research conducted in both universities and monetary financial institutions.

This year, Prof. E. Ghysels from the University of North Carolina-Chapel Hill, came to introduce the Econometrics of Mixed Data Sampling (MIDAS) regressions and related methods to an audience consisting of PhD students from both Belgian (UCL, KU Leuven, UNamur, ULB, VUB, University of Antwerpen, University of Liège and University of Ghent) and foreign universities (University of Cologne, Vilnius University, Lancaster University and University of Luxembourg, among others) as well as economists from central banks (NBB, Banque de France, European Central Bank, Central Bank of Turkey, Bank of England, Central Bank of Luxembourg). Around 60 participants attended the 3-day event.

The full programme of the event can be found at the following webpage:

<https://www.uclouvain.be/en-323840.html>

Games and Collective Decisions in Memory of Jean-François Mertens

Jerusalem, June 6-7-9, 2013



The Center for the Study of Rationality, at the Hebrew University of Jerusalem, and CORE, co-organized a conference in memory of Jean-François Mertens last June. The conference was hosted by the Center, in recognition of the key role that Israeli game theorists have played in Jean-François' career.

The three day conference was entitled "Games and Collective Decisions." Bob Aumann was the first speaker. He told the participants about his first meeting with Jean-François, and how quickly Jean-François got interested in game theory (and in repeated games of incomplete information in particular). Bob Aumann also explained in non technical terms Jean-François' main contributions to game theory. After that, eighteen speakers presented new

research results related to Jean-François' contributions. The list of speakers includes Nobel prize laureates Al Roth, Roger Myerson and Eric Maskin (in addition to Bob Aumann), as well as co-authors of Jean-François, former students of his and colleagues.

All speeches have been recorded and can still be watched on the website of the conference (see <http://ratio.huji.ac.il/node/2444>).

Over the course of two dinners, many participants shared anecdotes about Jean-François. Words by his daughter, Diane, and his wife, Isabel Grilo, were particularly moving. There can be no doubt of Jean-François' lasting influence on many of us.

Past Scientific Events

Conference Francqui on The Design of Economic and Political Institutions

Brussels, June 24-25, 2013

As our readers may recall, François Maniquet received the Francqui Prize in 2010. This prize is generally viewed as the most prestigious scientific prize in Belgium. To mark this occasion, the Francqui Foundation provided funds to organize an international conference focused on the areas of research expertise of the laureate.

The Francqui conference took place in Brussels on June 24-25. Nineteen speakers, including Nobel prize laureate Eric Maskin, presented original research related to the

conference theme of the design of economic and political institutions. One speaker was Marc Fleurbaey, François' main coauthor. They together developed the research on the ethics of responsibility that convinced the Francqui jury to award the prize to François. The other speakers were researchers having deeply influenced François' research agenda, coauthors or students of his. All the participants, including current CORE students, acknowledged the high scientific quality of the speeches.

EDEEM Jamboree 2013

Louvain-la-Neuve, July 8-10, 2013

As part of the European Doctorate in Economics - Erasmus Mundus (EDEEM) consortium, CORE hosted the 2013 EDEEM Jamboree last July 8-10, 2013. The event is one of the activities for doctoral students participating in the EDEEM program. The idea of the jamboree is to give students the opportunity to present their work within the EDEEM network and to encourage discussion. A majority of presentations were in the areas of game theory, decision theory and mathematical economics. The meeting was combined with the annual jamboree of the EBIM program which is the joint doctoral program of the Bielefeld Graduate School of Economics and Management and Université Paris 1.

Another activity in the Jamboree was a job market placement training session. In this placement meeting, four young researchers (Mathieu Parenti, Chiara Canta, Julien

Martin, and Arnaud Dufays) that already have the experience of going to the job market for economists, shared tips, experiences and general guidelines with the PhD candidates. Furthermore, the annual monitoring of EDEEM doctoral students took place during the jamboree. This monitoring session is the EDEEM network oversight of doctoral students.

One of the main messages of the Jamboree is the collaborative nature of research work, and the opportunities that are opened to those who successfully complete their doctoral degree. Last but not least, students had the opportunity to taste some of Belgium's finest beers on the terraces of Louvain-la-Neuve's famous cafes.

For more information on the EDEEM program please visit <http://erasmusmundus-edem.univ-paris1.fr/overview/>.

International Workshop on Lot Sizing

Brussels, August 26-28, 2013

Last year in Rotterdam, CORE volunteered to organizing the 4th International Workshop on Lot-Sizing. It took place at the Fondation Universitaire in Brussels, with 41 participants from all over the world including Australia, Korea, Middle East, North America and Brazil. In total we had 29 talks over three days, with notable sessions on Risk and also Collaboration and Subcontracting. On top of presenting recent research results for quick dissemination,

the goal of the workshop is to encourage new collaborations, and make research on lot-sizing more visible within the broader OR community. In that context, the participants decided to initiate the creation of a EURO working group on Lot-Sizing. The 5th edition of the workshop will take place in Porto (Portugal) on August 27-29, 2014.

Prizes & Awards

Francqui Chair to Paul Belleflamme



Th. Froehlicher (Dean of Hec-Ulg), P. Belleflamme & A. Gauthier

The University of Liège awarded a “Francqui Chair” to Paul Belleflamme, inviting him to participate in the scientific life and provide specialized activities of HEC-ULg (the Management School of the university), as well as to provide a series of special lectures. Paul gave a series of six lectures articulated around the theme ‘Microeconomics 2.0: Understanding the economics of Internet and of the digital world’.

The inaugural lecture took place on March 28, 2013. It was given in French, and accessible to a broad audience; the title was “*Les grandes batailles de l’Internet: un décodage économique*” (the presentation on which the lecture was based can be found at this address: <http://tinyurl.com/blde6j3>).

The other five lectures were more specialized and delivered in English to a group of Master students in economics and business. They concerned the markets for network goods, platform markets, as well as intermediation strategies on the Internet.

ISBA fellows: Jacques Drèze & Michel Mouchart

On the occasion of the 20th anniversary of the founding of the International Society for Bayesian Analysis (ISBA), the ISBA Board of Directors elected Jacques Drèze and Michel Mouchart among the inaugural group of twenty ISBA Fellows, thereby honoring the members of the first ISBA Board of Directors and other individuals who were instrumental in the creation of ISBA. Other elected fellows include Dale Poirier and Herman van Dijk, who are former CORE long term visitors or fellows.

THESIS

🕒 On July 11, 2013 - **Arnaud Dufays**

Modeling structural changes in volatility

Docteur en Sciences Economiques et de Gestion, Université catholique de Louvain under the supervision of Luc Bauwens.

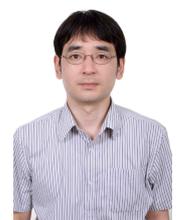
Current position (from October 2013):

Post-doctoral fellow at CREST in Paris and Associate fellow at CORE.

People @ CORE

Yukihiro Nishimura is Associate Professor at the Graduate School of Economics at Osaka University in Japan. He obtained his Ph. D. in economics from Queen’s University (Canada) in 2002. As a visiting scholar, he visited Queen’s University (Canada, 2006-2008) and University of Tokyo (Japan, 2010-2011). His research focuses on public economics (optimal taxation, mechanism design, fiscal federalism, and environmental economics). His current research interests include the outcome of interregional decision-making under strategic delegation, and compatibility between efficiency and voluntary participation in public goods provision.

He will visit CORE from September 2013 till February 2014.



Yukihiro Nishimura

Manachaya Uruyos is Assistant Professor of Economics at Chulalongkorn University, Thailand. In 2012-2013, she was a visiting researcher at Washington University in St. Louis (MO, USA) with Prof. Ping Wang. She holds a Ph.D. from Vanderbilt University where her studies were funded by a Japan-IMF scholarship. Before joining Chulalongkorn University, she was an economist at the Bank of Thailand; spent one summer as a special appointee at the International Monetary Fund, Monetary and Exchange Affairs Department, Banking Supervision and Regulation Division, and taught one semester at Vanderbilt University. She has research interests in macroeconomic issues, particularly economic growth, fiscal policy, human capital with a focus on education policy. She’s visiting CORE from May 2013 till October 2013.



Manachaya Uruyos

New President : Philippe Chevalier

Philippe Chevalier got a Ph.D. in operations research from the Massachusetts Institute of Technology in 1992. Since 1994, he has been a professor of Operations Research at UCL. Before joining UCL, he taught for 2 years at the Universidad de Chile in the Industrial Engineering department. He served as Research Director of the Louvain School of Management (2000-2007) and President of the doctoral committee for economics and management of the Académie Louvain (2005-2013).

His scientific interests are in stochastic models, with contributions in supply chain management, call center management and queuing theory.

He is the co-founder of n-Side, a consulting company implementing operations research techniques in industry.

Philippe Chevalier is elected President for 3 years.



New Post-doc fellows

Elena Mattana holds a Laurea Specialistica from the University of Cagliari, Italy, and is about to defend her PhD at the Stockholm School of Economics, under the supervision of Lars Ljungqvist and Juanna Joensen. Her main interests lie in the fields of Macroeconomics and Labor Economics, specifically the effects of credit availability on the economic outcomes of young adults. She is currently working on understanding the effects of student aid policies on student achievement, both academic and in the labor market. Another line of research focuses on introducing a theory of financial intermediation into economic growth models.

During her stay at CORE, she will work on the effects of education policies on economic outcomes, as well as continue studying the evolution of the architecture of the financial system.



Elena Mattana

Joniada Milla recently obtained a Ph.D. degree in Economics from the University of Guelph. Her thesis is entitled "The Dynamics of Entry and Exit in Post-secondary Education" and was completed under the supervision of Prof. Thanasis Stengos. She also holds a Master's degree in Economics from the University of Guelph, and a Bachelor's degree in Economics from Marmara University. While a graduate student at Guelph, she was a Lecturer, a Teaching Assistant and also worked for Statistics Canada as a Statistical Assistant. Her research interests lie in the fields of Applied Econometrics, Economics of Education and Labour Economics.

At CORE, Joniada is joining the econometrics group and will be collaborating with Prof. Sébastien Van Belleghem. The research she will pursue while at CORE will focus mainly on assessing education effectiveness and quality.



Joniada Milla

Monalisa Sen received her B.Sc degree in Economics from Presidency College in 2003 and a MS in Quantitative Economics from Indian Statistical Institute in 2005, Kolkata, India. In April 2012, she received her Ph.D in Econometrics, at University of Illinois at Urbana Champaign, under the supervision of Professor Anil Bera. Before joining CORE, she was working with Moody's Quantitative Research team in New York. She has also worked with the Economic Research team of Deutsche Bank in HongKong in 2010, and with Hewlett Packard's Statistical Analytics team in India in 2008. She has broad interests in theoretical aspects of specification tests, spatial econometrics and financial econometrics. In her thesis, she focused on specification tests in a dynamic spatial panel framework, which can identify specific source of misspecification, with minimal estimation of parameters of the model.

At CORE, she will be working mainly on specification tests in a non-parametric framework.



Monalisa Sen

Our new research associates



Philippe J. Deschamps was born on April 5, 1947. He earned his Ph.D. in economics at CORE in 1976. He is currently professor emeritus at the University of Fribourg (Switzerland), where he held the Chair of Econometrics from 1981 to 2013. He has also held temporary positions at Bell Telephone Laboratories (1974), Carnegie-Mellon University (1974-1975), the University of Illinois at Urbana-Champaign (1977-1978), Birmingham University (1978-1980), the University of Lausanne (1986-1987), the University of Zürich (1987-1988), Tilburg University (1990),

the University of Neuchâtel (1990-1992), and CORE (1995).

Philippe has published contributions in the fields of public utility pricing, the econometrics of consumer demand, error components models, the econometrics of structural change, and financial econometrics. He was elected Journal of Applied Econometrics Distinguished Author in 2009 and Journal of Econometrics Fellow in 2011. A total of approximately 40 of his papers were presented as invited lectures at various universities in Switzerland, Belgium, Canada, France, The Netherlands, in the U.S.A., and at international meetings.

Philippe is currently working on the application of Bayesian methods to the field of financial econometrics. He looks forward to a productive and mutually rewarding further association with CORE.



Ernesto San Martin is engineering in applied mathematics from the Universidad de Chile. In 1997 he obtained a DEA in Statistics from the Université catholique de Louvain. He also obtained a PhD in statistics under the supervision of Prof. Michel Mouchart; his dissertation was entitled *Latent Structural Models: Specification and Identification Problems*. His research interests can be divided into four fields: the first one deals with identification problems in models typically used in psychometrics; some works has been published in *Psychometrika* and *Applied Psychological Measurement*. The second field deals with applied research in educational measurement, as for instance the modeling of ICT skills scores or analysis of the quasi-market Chilean educational system: some of his research has been published

in *Computers and Education*, and *Estudios de Economía*. A third area of interest is school effectiveness and value-added models, leading to a seminal publication in *Psychometrika*. Finally, he is interested in the historical development of statistics and probability, and in particular the philosophical aspects of their development. This interest has resulted in publications in *Pensamiento Educativo*. Currently, he is Associate Professor at the Faculty of Mathematics and at the Faculty of Education, Pontificia Universidad Católica de Chile, Chile. He is also one of the members who founded the Measurement Center MIDE UC member and is currently member of the Academic Council of MIDE UC.

Our new associate fellow



Arnaud Dufays had been a CORE PhD student for four years. Written under the supervision of Luc Bauwens, his thesis focuses on modeling and estimating structural breaks in volatility models. His main topics of interests are Bayesian econometrics, financial econometrics, and volatility models with a special attention to Markov-switching models. He is currently pursuing a Post-Doc at the “Centre de Recherche en Economie et Statistique” (CREST) in Paris.

FNRS «chargé de recherche»

Adel Hatami-Marbini is currently Research Assistant at the Center for Operations Research and Econometrics (CORE) since 2010. He obtained the PhD degree in Economics & Management Sciences from the Louvain School of Management, the Université catholique de Louvain (UCL), Belgium in April 2013 under the supervision of Prof. Per J Agrell, CORE. He received a M.Sc. and B.Sc. in Industrial Engineering from the Islamic Azad University (IAU) in Iran. His research interests are in Frontier Analysis, Data Envelopment Analysis, Multi Criteria Decision Making and Fuzzy Sets Theory. He has published over thirty papers in international journals such as the European Journal of Operational Research, Omega, Computers & Industrial Engineering, Expert Systems With Applications, Mathematical and Computer Modelling, OR Spectrum and others. The Board of Trustees of the F.R.S.-FNRS has granted him a three-year “Chargé de Recherche” fellowship for a postdoctoral position at CORE. During his stay at CORE, he intends to focus mainly on the extension of performance evaluation and decision-making techniques under uncertainty and imprecision.



Upcoming Seminars September to December



ECONOMETRICS

September 17, 2013 (*joint with Mathematical Programming*)
Grzegorz HALAJ, European Central Bank
 Modeling emergence of the interbank networks.

September 23, 2013 (*joint CORE-ISBA*)
Alexei ONATSKI, Cambridge University
 Signal detection in high dimensions.

October 14, 2013 (*joint CORE-ISBA*)
Diaa NOURELDIN, University of Oxford
 Volatility prediction using a high-frequency-based component model.

October 21, 2013
Eric GAUTIER, ENSAE-CREST

November 18, 2013 (*joint with Economic Theory*)
Nicolas PISTOLESI, Toulouse School of Economics
 Post schooling human capital investments and the life cycle variance of earnings.

November 25, 2013
Torbjorn HAEGELAND, Statistics Norway

December 9, 2013 (*joint with LSM and Trade & Economic Geography*)
Cem ERTUR, LEO, Université d'Orléans

December 16, 2013 (*joint CORE-ISBA*)
Roman LIESENFELD, Christian-Albrechts-Universität zu Kiel

ECONOMIC THEORY

September 23, 2013
Wolfgang KUHLE, Max Planck Institute for Research on Collective Goods
 Information aggregation through stock prices and the cost of capital.

October 14, 2013
Rajiv SETHI, Columbia University

October 21, 2013
Elena MATTANA, CORE

November 18, 2013 (*joint with Econometrics*)
Nicolas PISTOLESI, Toulouse School of Economics
 Post schooling human capital investments and the life cycle variance of earnings.

November 25, 2013
Sonia OREFFICE, Universidad de Alicante

December 9, 2013 (*joint with Trade & Economic Geography*)
Nicolas SCHUTZ University of Mannheim

December 16, 2013 (*joint with Trade & Economic Geography*)
Monika MRAZOVA, University of Surrey

ECORE

October 7, 2013
Frederic VERMEULEN, CES, KU Leuven
 Sharing rule identification for general collective consumption models.

November 4, 2013
Anthony PAPAVASILIOU, CORE

MATHEMATICAL PROGRAMMING

September 17, 2013 (*joint with Econometrics*)
Grzegorz HALAJ, European Central Bank
 Modeling emergence of the interbank networks.

September 24, 2013
Vyacheslav KUNGURTSEV, ESAT, KU Leuven
 Exact second derivative SQT methods.

October 31, 2013
Diethard KLATTE, University of Zurich

IMMAQ TRADE & ECONOMIC GEOGRAPHY (jointly organized CORE & IRES)

September 17, 2013 (*joint with Macro Lunch*)
Ina SIMONOVSKA, University of California at Davis
 Different trade models, different trade elasticities

October 1, 2013 (*joint with Macro Lunch*)
Volodymyr VAKHITOV, Kyiv School of Economics

October 24, 2013 (*joint with IRES Research Seminar*)
Miren LAFOURCADE, Université Paris Sud-Paris School of Economics

November 5, 2013 (*joint with IRES Research Seminar*)
John MORROW, London School of Economics
 Productivity as if space mattered: an application to factor markets across China.

November 21, 2013 (*joint with IRES Research Seminar*)
Reto FOELLMI, University of Saint-Gallen

December 9, 2013 (*joint with LSM and Econometrics*)
Cem ERTUR, LEO, Université d'Orléans

December 9, 2013 (*joint with Economic Theory*)
Nicolas SCHUTZ, University of Mannheim

December 16, 2013 (*joint with Economic Theory*)
Monika MRAZOVA, University of Surrey



Publications

Reprints

Econometrics	2456	Florens, J-P, J. Johannes and S. Van Bellegem. Instrumental regression in partially linear models. <i>Econometrics Journal</i> 15(2), 304-324, 2012.
	2467	Krier, C., M. Mouchart and A. Oulhaj. Neural modelling of ranking data with an application to stated preference data. <i>Statistica LXXXII</i> (3), 255-269, 2012.
	2469	Bauwens, L. and G. Storti. Computationally efficient inference procedures for vast dimensional realized covariance models. In M. Grigoletto et al. (eds.), <i>Complex Models and Computational Methods in Statistics</i> , 37-49, 2013
Energy economics	2457	Agrell, P., P. Bogetoft and M. Mikkers. Smart-grid investments, regulation and organization. <i>Energy Policy</i> 52, 656-666, 2013.
Game theory	2473	Dehez, P. and S. Ferey. How to share joint liability: a cooperative game approach. <i>Mathematical Social Sciences</i> 66(1), 44-50, 2013.
	2476	Gabszewicz, J., F. Garcia, J. Pais and J. Resende. On Gale and Shapley «college admissions and the stability of marriage». <i>Theoretical Economics Letters</i> 2, 291-293, 2012.
Industrial organization	2455	Gautier, A. and X. Wauthy. Competitively neutral universal service obligations. <i>Information Economics and Policy</i> 24(3-4), 254-261, 2012.
	2461	Gabszewicz, J. and J. Resende. Differentiated credence goods and price competition. <i>Information Economics and Policy</i> 24(3-4), 277-287, 2012.
Macroeconomic policies	2463	Davila, J., J.H. Hong, P. Krussel and J.V. Rios-Rull. Constrained efficiency in the neoclassical growth model with uninsurable idiosyncratic shocks. <i>Econometrica</i> 80(6), 2431-2467, 2012.
Microeconomic theory	2460	Gabszewicz, J. and X. Wauthy. Nesting horizontal and vertical differentiation. <i>Regional Science and Urban Economics</i> 42(6), 998-1002, 2012.
Optimization methods and operations research	2453	Zein, S., B. Colson and F. Glineur. An efficient sampling method for regression-based polynomial chaos expansion. <i>Communication in Computation Physics</i> 13(4), 1173-1188, 2013.
	2465	Saati, S., A. Hatami-Marbini, M. Tavana and P. Agrell. A fuzzy data envelopment analysis for clustering operating units with imprecise data. <i>International Journal of Uncertainty, Fuzziness and Knowledge-Based Systems</i> 21(1), 29-54, 2013.
	2474	Lotfi, F.H., A. Hatami-Marbini, P. Agrell, N. Aghayi and K. Gholami. Allocating fixed resource and setting targets using a common-weights DEA approach. <i>Computers & Industrial Engineering</i> 64(2), 631-640, 2013.
	2475	Hatami-Marbini, A., M. Tavana, S. Saati and P. Agrell. Positive and normative use of fuzzy DEA-BCC models: a critical view on NATO enlargement. <i>International Transactions in Operational Research</i> 20(3), 411-433, 2013.
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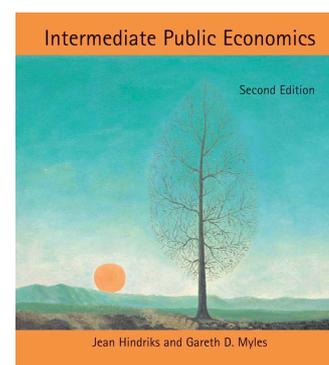
Books

Intermediate Public Economics - 2nd edition

by *Jean Hindriks & Gareth Myles*

MIT Press, 2013

This second edition has been thoroughly updated throughout. It offers new chapters on behavioral economics, limits to redistribution, international taxation, cost-benefit analysis, and the economics of climate policy. Additional exercises have been added and many sections revised in response to advice from readers of the first edition.

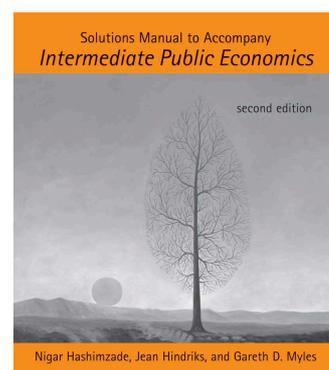


Solutions Manual to Accompany Intermediate Public Economics - 2nd edition

by *Nigar Hashimzade, Jean Hindriks & Gareth Myles*

MIT Press, 2013

A solutions manual for all 582 exercises in the second edition of Intermediate Public Economics.



Publications

Books

L'état-providence en Europe

Performance et dumping social

by *Mathieu Lefebvre et Pierre Pestieau*

Editions Rue d'Ulm, 2012

Depuis des années, il est partout question de la crise de l'Etat-providence, des raisons de cette crise et des remèdes à y apporter. Malheureusement, dans ces discussions, on ne s'appuie que rarement sur de bonnes mesures de performance. Cet opuscule vise à présenter une évaluation de la performance des Etats-providence européens qui puisse éclairer le débat. Celui-ci permet de comparer la performance des pays de l'Europe des vingt-sept; elle donne aussi la possibilité de tester l'hypothèse d'un éventuel *dumping social*; enfin elle peut être utilisée pour mieux appréhender les raisons d'éventuels dysfonctionnements de l'Etat-providence en insistant sur ses objectifs premiers: la lutte contre la pauvreté et les inégalités, et la protection contre les risques majeurs de la vie.



Economics of Agglomeration

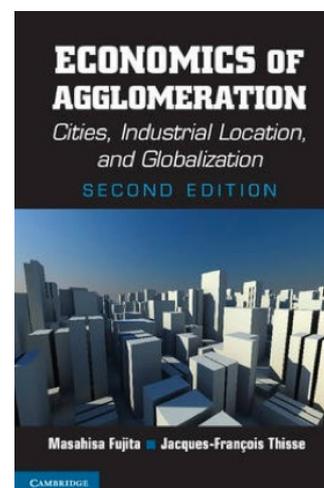
Cities, Industrial Location, and Globalization - 2nd edition

by *Masahisa Fujita and Jacques-François Thisse*

Cambridge University Press, 2013

Economic activities are not concentrated on the head of a pin, nor are they spread evenly over a featureless plain. On the contrary, they are distributed very unequally across locations, regions, and countries. Even though economic activities are, to some extent, spatially concentrated because of nature features, economic mechanisms that rely on the trade-off between various forms of increasing returns and different types of mobility costs are more fundamental. This book is a study of the economic reasons for the existence of a large variety of agglomerations arising from the global to the local.

This second edition combines a comprehensive analysis of the fundamentals of spatial economics and an in-depth discussion of the most recent theoretical developments in new economic geography and urban economics. It aims to highlight several of the major economic trends observed in modern societies.



Regional Science and Urban Economics

Volume 42, Issue 6, November 2012, Pages 905-906

special issue 'In honor of Jacques Thisse'

Introduction to the special issue in honor of Jacques Thisse

by *Vernon Henderson and Yves Zenou*

This is an introduction to the special issue in honor of Jacques Thisse. We briefly summarize his career, his merits and his influence on researchers in urban and regional economics as well as industrial organization.

Some friendly news



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Welcome

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born on
January 14, 2013



happy parents:
Kevin Yang
& Jingying

to **Smilla**

born on
March 15, 2013



happy parents:
Contantin Blome
& Julia

to **Louise Eleonore**

born on
May 5, 2013



happy parents:
Félix Sommer
& Virginie

Congratulations

to **Benoît Decerf & Florence**
for their wedding
on May 11, 2013.

✍ *La science ne sert qu'à vérifier les découvertes de l'instinct.*

✍ *La scienza non serve che a verificare le scoperte dell'istinto.*

✍ *věda je jen k tomu, aby ověřovala objevy intuice.*

✍ *Science only serves to verify the discoveries of instinct.*

Jean Cocteau

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