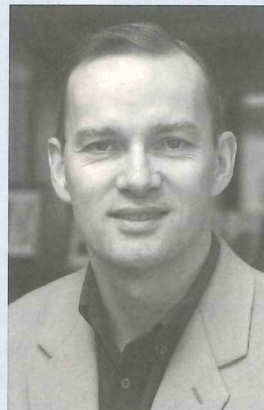




Greetings from the Chair —

Dear Graduate Alums and Friends of the Department:

For a long time I have been meaning to write to you with news of the Economics Department. But last year, time inconsistency ruled. At last, the Association of Yale Alumni has saved me by offering to produce a newsletter for us. Hats off to Julia Downs and her staff for giving us a more extensive and vivid document than we have had in the past. All Chairs have blind spots and idiosyncrasies, and faculty and graduate students take it as their sacred duty to point these out one by one. Despite all this unsolicited advice, I constantly feel the need to seek the additional counsel of my predecessors in the job, especially Joe Peck, T.N. Srinivasan and Bill Brainard. I would like to take this opportunity to thank them for their generous help.



It is a great pleasure to welcome several new faculty members this year. Dino Gerardi joins us from Northwestern University as an assistant professor; he is teaching economic theory at both the undergraduate and advanced graduate levels. Pinelopi Goldberg, Eduardo Engel and Michael Keane all accepted full professorships at Yale and will strengthen us immeasurably in applied micro and macroeconomics. Dirk Bergemann and Ben Polak rebuffed advances by other institutions and joined our tenured faculty this year. You will find more information on all of these scholars in this newsletter. Although Rob Townsend declined our offer, he plans to make substantial visits to the department in the coming years; his six-week stay with us this fall was wildly successful. Itzhak Gilboa has similarly agreed to a multi-year visiting arrangement with Yale. In September he organized a superb conference on psychology and economics, and he will return to teach for the fall semester of 2002.

Our doctoral program is flourishing. Many of you are familiar with the “rules versus discretion” debate in macroeconomic policy. Our Director of Graduate Studies, Truman Bewley, comes down squarely in favor of rules. Having explicitly codified the academic regulations of the program, he applies them with a firm, even hand. Truman hopes that this minimizes feelings of favoritism and discrimination, and law suits! In any case, it has contributed to a substantial decrease in recent years in the time to completion of the program, a major accomplishment. We have also been out-performing most of our competitors in graduate placement. One of the reasons for all our successes is that we have, by common consent, the world’s best graduate registrar, Pam O’Donnell. The IDE master’s program, headed last year by Paul Schultz and currently by Bob Evenson, continues to give advanced training to promising professionals from all parts of the world. In response to their suggestions, we plan to give the program a more applied flavor in the future. The department currently enjoys high undergraduate enrollments; direction of the major has passed from Don Brown and Joe Peck, who served energetically and faithfully in recent years, to the infinitely capable hands of Bill Brainard.

The research centers in the department, the Economic Growth Center and the Cowles Foundation, are booming with activity under spirited leadership. Chris Udry has instituted a program that funds EGC faculty to support graduate students participating in their research. He is also overseeing an ambitious renovation and expansion of 27 Hillhouse Avenue. John Geanakoplos continues to organize major

continued on page 2

New Departmental Website:

www.econ.yale.edu/

Future plans for the department’s newly-redesigned website include an entire section dedicated to Yale economics alumni. It will include lists of PhDs, dissertation titles, and faculty advisors, with a link to the Yale University Online Alumni Directory, which should be up and running this summer. (The directory will be password-protected for privacy and accessible by alumni only. Alumni will also have the option to withhold their own contact information.) Members of the Yale economics alumni community will soon be able to locate former classmates and friends through the electronic directory. In addition, the successes of the department’s diverse alumni – when posted on the department’s website – will serve as a valuable recruiting tool for attracting the very best students to Yale.

The task of expanding the website and keeping it current never ends; the project continues as a team effort involving faculty and staff from throughout the department and its research centers. With the advice of incoming graduate students – who told of their sometimes harrowing experiences in using the internet while researching graduate programs – a plan was devised to make the site more accessible to users throughout the world. Then, once the new

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Chair's Message *continued from page 1*

research initiatives in Cowles, including several conferences and visitor programs. The Cowles Foundation luncheon seminars draw huge crowds, providing food for thought as well as feeding hungry graduate students. That reminds me: if I ever get around to fundraising, additional support for graduate fellowships will be my top priority.

Please check out our departmental website at www.econ.yale.edu, extensively revamped under the leadership of Peter Phillips, Glenna Ames and our superb Administrative Director, Pat Brown. In next year's letter, I hope to be able to provide reports on further additions to the faculty, new web pages for alumni, and pictures of the improvements to 27 Hillhouse. Meanwhile, thanks for your continued support, and have a great 2002!



David G. Pearce, Chair
Henry Ford II Professor of Economics

www.econ.yale.edu/ *continued from page 1*

architecture for the site was designed, the task of entering the content and getting it onto the web became the responsibility of Glenna Ames, coordinator of computer education. The fruits of her labors can be viewed at <http://www.econ.yale.edu/>.

Several governing principles guided the creation of the new website. First, the design was intentionally simplified for the convenience of people who might be using older or less powerful computer systems. With this goal in mind, the pages that comprise the site are kept relatively simple and easily accessible from the main departmental home-page so that information may be found easily and downloaded quickly. Second, the website is designed to help forge a sense of cohesion among the various branches of the department and to present this unity to the world: information on undergraduate and graduate programs, the Economic Growth Center, and the Cowles Foundation is all readily available from the front page. Third, the site is meant to serve a diverse group of viewers: prospective students, people working in the media and in industry interested in mining the department's expertise, and scholars already at Yale can all find a wealth of useful information at their fingertips.

New Staff Members

Patricia Brown joined the department in June 2000 as administrative director. A native of Northern California, Pat earned a master's degree in psychology from San Jose State University, where NASA funded her research on the etiology of stress ulceration. She has numerous scientific publications and two patents on this work. Pat first came to Yale in 1991 to set up the Yale Institute for Biospheric Studies, a multi-disciplinary environmental studies program. She became involved with the Special Olympics World Games held in New Haven in 1995 and co-organized an international fundraising event to benefit the world games. In addition, she has raised funds for AIDS research – in 1998, she became manager of the UCLA AIDS Institute. However, she missed New England so much that she returned to Yale two and a half years later, bringing her understanding of the academic and administrative worlds to the economics department. She continues to raise funds for AIDS programs in the New Haven community. Pat occupies an office at 28 Hillhouse Avenue.



Dorothy Ovelar became senior administrative assistant to the chair in September 2000. A Connecticut native, she first came to Yale in 1995 to work in the department of orthopedics and rehabilitation at the medical school. Since then, she has worked for a legal firm in Florida, and returned to the medical school to work in the Pediatric Pharmacology Research Unit. In the past year, Dorothy has played an important

role in several faculty searches, has handled several business aspects of the department, and has coordinated the visiting faculty program. In addition to gardening and reading, Dorothy spends much of her time outside the department with her two children, Natalia and Mark, and Beau, the family's Rhodesian ridgeback.

Newsletter to be published annually by the Department of Economics and the Graduate School of Arts and Sciences.

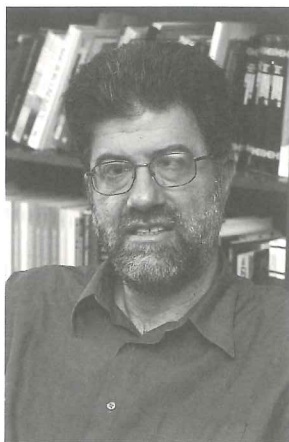
Your comments, suggestions and news are most welcome!

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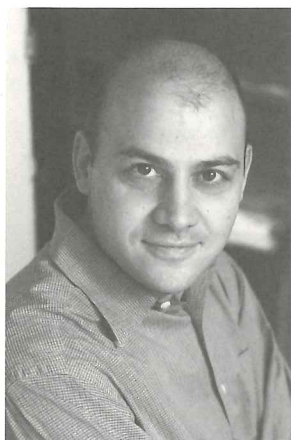
Faculty News — New Faculty

Eduardo Engel, who was hired in 2001 as a full professor, specializes in macroeconomics and time series; he is a leader in the study of the implications of heterogeneity of agents for aggregate behavior. He has helped develop a framework that makes it possible to use microeconomic data in the explanation of macroeconomic behavior. He also uses such theoretical frameworks in analysis of empirical phenomena; to date, much of his work in this vein has focused on investment and employment behaviors. While primarily known for his work on the U.S. economy, Professor Engel has studied the macroeconomics of Latin America and has made major contributions to the literature in public finance. Since earning his PhD from MIT in 1991, he has taught at Harvard and the University of Chile, where the student union gave him an award for best teacher. Professor Engel and co-author Ricardo J. Caballero won the 2002 Frisch Medal of the Econometric Society for their article, "Explaining Investment Dynamics in U.S. Manufacturing: A Generalized (S,s) Approach," published in the July 1999 issue of *Econometrica*. Engel's teaching talents are already prized at Yale – he received the annual "Best Teacher" award from graduate students at the department's holiday party in December.



Pinelopi Koujianou Goldberg, who joined the faculty this past year as a full professor, is the first tenured woman in the Yale Department of Economics. She earned a PhD from Stanford in 1992, and came to New Haven after teaching for eight years at Princeton and Columbia. She specializes in microeconomics, including the arenas of international trade and industrial organization. She has written extensively on the effects of trade and

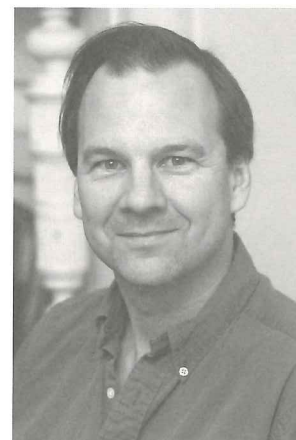
environmental regulation on the automobile industry. Other projects include a study of price discrimination by car dealers on the basis of consumer characteristics and a paper on the political economy of trade protection. Currently, Professor Goldberg is involved in three research programs: a study of the economics of trade liberalization in Latin America and its effects on income distribution; an examination of the effects of economic integration in Europe on price dispersion; and an investigation of the relevance of credit constraints in the market for consumer durables. She has been the recipient of an Alfred P. Sloan Foundation Faculty Research Fellowship, a Russell Sage Foundation Fellowship, and a Hoover National Fellowship. Since 1994 she has received continuous support from the National Science Foundation. She is also a research associate at the Center for Japan-U.S. Business and Economic Studies and a faculty research fellow at the National Bureau of Economic Research.



Dino Gerardi was hired as an assistant professor after having completed his PhD at Northwestern University this past summer. A native of Italy, he received his bachelor's and master's degrees from the Università Commerciale "Luigi Bocconi" in Milan. He is a microeconomic theorist with interests in game theory and political economy, and an expert in the area of communication in strategic environments. He has discovered new ways to implement social choice rules

without relying on a trustworthy mediator. In a separate line of research, he has shed new light on some of the celebrated results of Feddersen and Pesendorfer in political economy. His dissertation, "Strategic Decision Making and Information Transmission," was completed with support from Northwestern and its Center for the Study of Industrial Organization. The first essay in the dissertation studies strategic voting in juries where there is uncertainty about jurors' preferences. The second considers games with five or more players and rational parameters, and characterizes the set of outcomes that players can achieve with unmediated communication when the solution concept is sequential equilibrium. The final essay uses the Nash equilibrium concept and describes the effects of adding unmediated communication to games with four or more players and rational parameters.

Michael Keane joins the department as a full professor after the department's long search for a senior labor economist. Before coming to Yale, he was professor of economics at both New York University and the University of Minnesota, where he was also a member of the Industrial Relations Center. In addition to labor economics, Professor Keane has strong interests in other areas of applied microeconomics (especially consumer choice behavior) and econometrics. He has published on



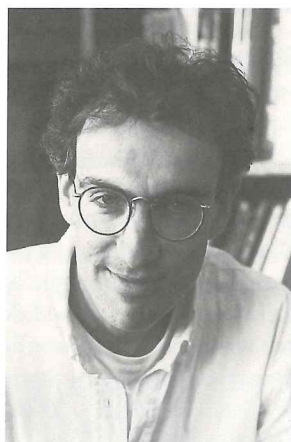
a wide array of topics, including poverty and public welfare programs, career decisions and human capital investment, consumption, and trade liberalization. He has received grants from the National Institute of Health, the Institute for Research on Poverty at the University of Wisconsin, the National Science Foundation, and the U.S. Department of Labor. His professional affiliations have included terms as a research department visitor and fellow of the Institute for Empirical Macroeconomics at the Federal Reserve Bank of Minneapolis and as a member of the working group on problems of the low-income population at the Institute for Research on Poverty. He earned his PhD at Brown University in 1990.

Recently Tenured Faculty

Dirk Bergemann was promoted to associate professor in 2001. He came to Yale in 1995 after a year as an assistant professor at Princeton University. Since his arrival at Yale, he has also held visiting positions at MIT, Boston University, and the University of Bonn. Professor Bergemann began his studies in economics and sociology as an undergraduate at J.W. Goethe University in Frankfurt; he earned a PhD in 1994 at the University of Pennsylvania. His dissertation, supported through fellowships from the Fulbright Commission and the German National Science Foundation, “Three Essays on Learning and Intertemporal Incentives”, analyzes the economics of learning and the provision of intertemporal incentives in repeat purchase situations. It won the W. P. Carey Prize from the University of Pennsylvania for the best dissertation in economics. His research has been published in *Econometrica*, *Review of Economic Studies*, the *RAND Journal for Economics*, the *Journal of Economic Theory* and many other leading journals. He has been the recipient of an Alfred P. Sloan Research Fellowship as well as several National Science Foundation and Yale University social science research grants. His most recent research into the optimal design of auctions and other selling mechanisms has also received funding by the National Science Foundation.

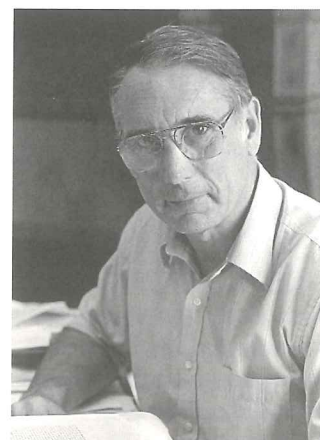


Benjamin Polak became professor of economics in 2001, with a joint appointment in the Yale School of Management. Since his arrival at Yale in 1994, he has pursued research and teaching interests in microeconomic theory and economic history. A native of Great Britain, he studied at Cambridge as an undergraduate, then went on to earn advanced degrees in the United States from Northwestern and Harvard Universities. His doctoral dissertation, “Problems from the History of Capital Markets,” focuses on three problems arising from the history of English capital markets, one from the 18th century, one from the 19th, and one from the 20th. From 1991-1994, he was the junior fellow in economics at the Harvard University Society of Fellows. Professor Polak has held visiting positions at New York University, Australian National University, the London School of Economics, the University of Melbourne, and the New Economic School in Moscow. He has received an Alfred P. Sloan Foundation fellowship. His current research projects include studies of multidimensional inequality and of small trades during the British industrial revolution. Of special note at Yale is his dedication to teaching: in December 1998, students honored Professor Polak with *both* of the Christmas awards, the Graduate Teaching Prize and the Graduate Advising Prize.



Conference Honors Bill Brainard

Colleagues and dissertation students of **William C. Brainard** '63 PhD, the Arthur Okun Professor of Economics, paid tribute to him last fall with a conference in his honor. Former students and colleagues from across “the Brainard years” returned to New Haven for two days, October 26–27, to discuss a variety of topics in economic theory, macroeconomics and monetary theory. A dinner hosted by Richard Levin '74 PhD in the President's House on the final evening provided the social high point, with after-dinner speeches by Charles Long, Cathy Minehan, George Perry, James Tobin, Menahem Yaari, David Brainard and Rick Levin. Robert Solow '86 SSDH (Honorary Doctor of Social Science) offered remarks on the first evening at a dinner for out-of-town guests.



“Bill Brainard has been an inspiration for students and colleagues from his earliest days as a graduate student to his later positions as teacher, editor, chairman, provost and kibitzer-in-chief,” said colleague Bill Nordhaus in *The Yale Weekly Bulletin and Calendar*. “No puzzle is too arcane for his head, and no anxiety is too mundane for his heart. Yale is a greater and more humane institution because of his presence over a long and distinguished career,” a sentiment with which all the conference participants would agree.

Chairs, speakers and discussants for the five sessions included:

Economic Theory, Investor Behavior, and Financial Markets – Herbert Scarf, John Geanakoplos '75, Laurence Weiss, David Swensen '80 PhD and Richard Attiyeh '66 PhD.

Public Economics – James Friedman '63 PhD, Jeremy Bulow '75, '75 MA, F. Trenery Dolbear '63 PhD, Peter Mieszkowski and Frank Westhoff '74 PhD.

Financial Intermediaries and Individual Saving for Retirement – Donald Brown, Andrew Caplin '83 PhD, Alice Rivlin, John Shoven '73 PhD and Gary Smith '71 PhD.

International Economic Policy – T.N. Srinivasan '62 PhD, Richard Cooper, Dale Henderson '79 PhD, John Whalley '73 PhD and Gary Yohe '75 PhD.

Current Issues in Macroeconomic Policy – William Nordhaus '63 BA, Edward Gramlich '65 PhD, George Perry, Jeffrey Shafer '76 PhD and Matthew Shapiro '79, '79 MA.



IN MEMORIAM: FACULTY

The department mourns the death of two esteemed members. Both sons of Columbus, Ohio, they were classmates in graduate school at Harvard,

jointly used their economic skills in the war effort of the early 1940s, and spent 27 years together in the economics department at Yale.

“I heard stories about Parker’s exploits as a member of the Ruggles intelligence operation long before I met him; it was only later that Parker’s telling formed my visual images of the two of them in a London street during WW II – at night, during a bombing raid – Parker clutching his personal papers under one arm for safekeeping and beaming a flashlight on the incendiary bomb that Ruggles was attempting to disarm. Both of them young, free spirited, courageous or foolish, or both. Free spirited and courageous. Those qualities were durable, and lasted the decades.”

—William C. Brainard '63 PhD, from remarks at Parker’s memorial service

William Parker, the Phillip G. Bartlett Professor Emeritus of Economics and professor emeritus of American Studies at Yale, died on April 29, 2000, at the age of 80. After completing a bachelor’s degree in English from Harvard in 1939, he began graduate studies at Harvard in economics, earning a master’s degree in 1941. The war interrupted his studies and sent him to Washington. There, he served the mobilization effort in the Office of Production Management. From 1943 to 1945, he worked as an economic analyst in the Office of Strategic Services in Europe, where he joined the team led by his Harvard classmate and friend, Richard Ruggles, that was estimating the production rates of heavy German equipment by tracking the serial numbers of captured or destroyed tanks and trucks. After the war, Professor Parker worked as an economist for the U.S. Senate Committee on Atomic Energy, and then for the State Department’s Division of Research for Europe. He was awarded a PhD from Harvard in 1951 and, after teaching at Williams College and the University of North Carolina, joined the Yale faculty in 1963. A pioneer in the field of economic history, Professor Parker was among the first in his field to make systematic use of quantitative data and statistical methods. Yet the emphasis in his work was always interdisciplinary; he stressed the importance of the cultural, social, and political contexts of economic research. He was best known for his writings on the development of modern capitalist institutions in Europe and the United States. He served as the president of both the Economic History Association and the Agricultural History Association. He was elected to the American Academy of Arts and Sciences in 1986. Professor Parker retired from Yale in 1989. He is survived by his wife, Yvonne; a son, Jarrett; a daughter, Victoria; and several grandchildren.



“Bill’s grasp of the particular, rather than his quest for the general, made him not only a great historian, but also a storyteller, a writer, a poet and an astute observer of people. ... It is well known that Bill was the most productive of mentors. His students occupy chairs in economic history at Harvard, Stanford, Berkeley and Northwestern. But his influence as a teacher and counselor extends far beyond economic history. In his 13 years as director of graduate studies in economics at Yale, he touched hundreds of lives, exuding warmth and extending kindness to every student while privately relishing their idiosyncrasies.” — Richard C. Levin '74 PhD, from remarks at Parker’s memorial service, May 5, 2000

“No other economic historian has so many admirers and well-wishers.”—from *Technique, Spirit and Form in the Making of the Modern Economies*, a festschrift published in Parker’s honor in 1984, edited by Gary Saxonhouse '64, '71 PhD and Gavin Wright '69 PhD

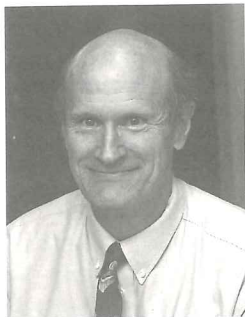
Richard Ruggles, a forty-year member of the economics department at Yale, died March 4, 2001, at the age of 84. Professor Ruggles completed both his undergraduate and graduate work at Harvard before joining the Office of Strategic Services during World War II. In the London office of the OSS he worked with Professor Parker to determine the production rates of German tanks and trucks. He also served with the U.S. Strategic Bombing Survey in Tokyo and Washington. After the war, Professor Ruggles spent a year at Harvard before joining the Yale faculty in 1947. He was named associate professor two years later and full professor in 1954 when he was appointed the Stanley Resor Professor of Economics. He served as the department chair from 1959 to 1962. Best known for developing accounting tools for measuring national income and improving price indexes used in formulating government policy, Professor Ruggles conducted research for a number of governmental bodies and agencies, including the United Nations, the Organization of American States, the Federal Reserve Board, and the Bureau of the Census. A collection of the work he completed with his first wife Nancy, an economist who died in 1987, was published in 1999. In his foreword to the collection, James Tobin notes the Ruggles’ uncompromising selection of socially relevant topics for their work and their enviable ability to represent economic theory and debate clearly and accurately. Professor Ruggles is survived by his second wife, Caridad Navarette Kindelán; three children, Steven, Patricia and Catherine; four grandchildren; and his wife’s seven children and 13 grandchildren.



“My earliest memory of Richard Ruggles is stopping at his college room at Harvard, where we were fellow undergraduate students of economics in the class of 1939. It was hard to get in the door, because the floor inside was covered with spreadsheets. Ruggles had his hands on a large data set of hospital births in Boston. He was collaborating with a psychology professor in analyzing it. I was sure impressed, but for Ruggles it was a matter of course. Throughout his life he loved to mobilize facts for research and to figure out how best to find and display their message. Maybe because he had grown up in an academic family in Cambridge, he already knew as a freshman what a university was about.”— James Tobin, from remarks at Ruggles’s memorial service, March 9, 2001. Published in *Review of Income and Wealth*, September 2001

Faculty News — Featured Faculty

Truman Bewley is following his successful 1999 book, *Why Wages Don't Fall During a Recession*, with a massive survey of pricing practices in manufacturing firms, in wholesale and retail firms, and in financial intermediaries.



Professor Bewley is asking how prices are set, how they are adjusted when costs or demand change, and whether any influences stand in the way of price changes.

Bob Evenson was on leave in Europe last year. In the fall, at the Food and Agriculture Organization of the United Nations in Rome, he worked on his study of the green revolution and completed an edited volume, soon to be published, on crop genetic improvement in developing countries. In the spring, at the International Institute for Applied Systems Analysis in Laxenburg, Austria, he turned his attention to the economic effects of the green revolution, using computer simulations. He also made progress on another book, this one meant for a broad audience and tentatively titled, *The Green Revolution 1965-2001: An Economic Retrospective*.



George Hall, the recipient of a Junior Faculty Leave Fellowship for 2001-2002, is spending the year developing, solving, and estimating empirical models of price determination and optimal inventory investment by intermediaries in the U.S. steel market. The primary goal of this research is to improve understanding of inventory investment and its role as a propagating mechanism in business cycles.

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Koichi Hamada '65 PhD is on leave in Japan where, as President of the Economic and Social Research Institute located in the Cabinet Office of the Japanese Government, he is serving as one of that government's top economic policy advisors.

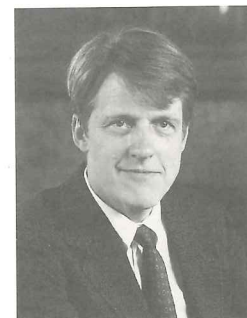


Giuseppe Moscarini was awarded an Alfred P. Sloan Foundation fellowship in support of his research in two areas. In one, he is researching the mobility of workers across industries and occupations, and the concomitant effects on unem-

ployment and labor productivity. In the second, Professor Moscarini is studying the strategic allocation of resources in dynamic experimentation problems, with particular attention to research and development.



Bill Nordhaus was elected to the National Academy of Sciences and appointed Sterling Professor of Economics in 2001. Professor Nordhaus published *Warming the World: Economic Models of Global Warming* with Joseph Boyer in 2000. In addition, he was awarded a \$1.3 million grant from the Glaser Foundation to develop prototypes for the measurement of American economic and social activity that exists outside the market.



Bob Shiller has attracted much praise and some derision since arguing in *Irrational Exuberance* (March 2000) that investors are not always rational and fully informed decision makers. Clearly, he has caught people's attention. *Business Week* declared Professor Shiller "not just a bear," but a "grizzly," while *Barron's* labeled him "the new Dr. Doom." Despite the naysaying, the book appeared on bestseller lists around the nation and has been translated into ten languages. Shiller has written numerous articles and editorials based on the work, including pieces in *The Wall Street Journal* and *The New York Times*, has held an online chat for ABC News, and has appeared on *This Week* and PBS's *Think Tank*.

T. N. Srinivasan was elected to the National Academy of Sciences in 2000. In its citation, the NAS commended Professor Srinivasan for his "fundamental contributions to the theory of economic policy formulation in defining circumstances in which economic policy choices may be evaluated even in the context of other market failures."

Ann Huff Stevens, also a recipient of a Junior Faculty Leave Fellowship for 2001-2002, is spending the year exploring a set of questions involving the effects of shocks to family income on the well-being of children. Some recent research claims that negative income shocks early in a child's life (before age 6) have much larger negative effects on children's future outcomes, such as earnings or completed education, than do shocks later in life. Her research examines the validity of this finding by focusing on exogenous shocks to income that do not simply re-

flect parental ability or other unobserved characteristics. In addition, she is examining the role of a family's asset stocks in helping to smooth shocks to current income, and how this may vary over the course of a child's life.

Chris Timmins, the department's third recipient of a Junior Faculty Leave Fellowship for 2001-2002, is working on a collection of projects, all of which will be combined this winter in a book entitled *The Social Consequences of Global Climate Change in the Developing World*, for Elgar Publishers. The book includes work on land use (deforestation), agricultural consequences, health and amenity impacts; it is mainly based on data from Brazil.

The Christmas Awards

Traditionally, at the annual holiday party of the Graduate Economics Club, outstanding teachers and dissertation advisors are recognized by the graduate students. The winners for the past two years were:

2001 Teacher of the Year
Eduardo Engel

2001 Advisor of the Year
Chris Udry

2000 Teacher of the Year
Don Andrews

2000 Advisor of the Year
Mike Boozer

Recent Faculty Marriages and Births

Patrick Bayer and Tracy Falba were married on July 1, 2001, in Lake Tahoe, California.

Christos Cabolis and Maria Georgopoulou are the happy parents of a son, Petros, born on July 10, 2001.

Michael Keane and Laurel Hixon were blessed with their first child, a son, Alexander, on November 1, 2000.

Jenny Lanjouw and her husband, Peter, are the new parents of a daughter, Else Marie, born on November 24, 2001.

Giuseppe Moscarini and Cristina Baiocco are the happy parents of a son, Bruno, born on September 24, 2001.

Ann Huff Stevens and James Stevens became parents for the first time with the birth of their daughter, Claire, on February 24, 2001.

Christopher Timmins and his wife, Jody, were blessed with triplets: Erin Beverly, William David, and Greta Mary were born on January 25, 2001.

Zedillo Honored at Commencement

Ernesto Zedillo Ponce de León '81 PhD was awarded an honorary Doctor of Laws degree at Yale's Three Hundredth Commencement on May 21, 2001, and the Wilbur Cross Medal at the Graduate School's convocation on May 20, 2001. He completed his six-year term as President of Mexico on December 1, 2000. (The Mexican constitution does not allow a second term.) President Zedillo also returned to New Haven in October 2001 to give a keynote address in the final weekend of Yale's Tercentennial celebration, on "Envisioning the World in the Next Century: Challenges to a Global University."



Ernesto Zedillo Ponce de León '81 PhD and Susan Hockfield, Dean of the Graduate School, at the Graduate School convocation in May 2001.

Undergraduate Education — ROME Project

Last summer, eight Yale undergraduates were given a taste of the academic life in economics by working closely with a professor on research. The Research Opportunities in Math and Economics (ROME) Project, initiated in 1998, provides students with the chance to be directly involved in the research projects of professors in the department. Unlike other research opportunities available to students, ROME participants are not research assistants. Rather, they undertake individual projects and present their findings to their mentors in reports that are ultimately published on the web.

The program was begun with financial support from Yale College and continues now with funding provided through a generous gift from an alumnus, Paul Joskow '72 PhD. The notion of ROME and its organizational structure originated in a meeting convened by Yale College Dean Richard Brodhead and attended by Professors Donald Brown and Jean Lanjouw of economics, and Steve Miller of mathematics. The topic of discussion was undergraduate research opportunities in these two fields. As Professor Brown explains, the chance to do research is one of the most exciting as-

The Powell Prize

POWELL PRIZE

WINNERS

At left:

*Sze Sze Lau
(2000-2001);*

At right:

*Rupa Athreya
(1999-2000)*



The Raymond Powell Prize is awarded every September to the most outstanding teaching fellows in the previous academic year, as selected by a committee of three faculty members. The award was created in honor of Raymond Powell, a distinguished member of the economics faculty from 1952 until 1980, who was an exemplary teacher of undergraduates. His dedication to teaching was an inspiration to generations of graduate students and to his faculty colleagues. Recent winners are:

2000-2001 Sze Sze Lau and David Love

1999-2000 Rupa Athreya and Stephen Cacciola

pects of a career in academia. If one wants to encourage students to become academics, he says, an opportunity to do research should be made available; in the physical sciences, working on research in established laboratories is traditionally central to a student's development. ROME applies this thinking to the social sciences and provides students a broader sense of what life in academia entails. One notable product of the ROME experience – for the undergraduates – is greater appreciation for the intellectual work faculty members perform outside of the classroom.

Each year, the process of selecting applicants for the ROME Project begins in February, when participating professors post research proposals on the project's website. Proposals for the summer of 2001 included research on monetary policy; research on pensions for mothers in the Progressive Era; and a proposal that involved the study of trade agreements and economic sanctions. Interested undergraduate students from across the majors apply directly to the appropriate faculty member, who then selects several applicants for interviews. The student researcher is then chosen from among this group.

The program has been a rousing success: faculty members participate with enthusiasm, while the students the program has attracted are "spectacular," according to Professor Brown. Most importantly, the project has illuminated for students the multiple aspects of academic life, and thus contributes to the future of the field.

Student participants in 2001, and their faculty mentors, were: Michael Cheung (Robert Shiller), Elana Den (Chris Timmins), Kirabo Jackson (Steven Berry and Ben Polak), Lauren Keane (Patrick Bayer), Sriram Lakshman (Phil Levy), Michelle Messer (Stefan Krieger), Jennifer H. Nou (Carolyn Moehling) and John Sealf (Patrick Bayer).

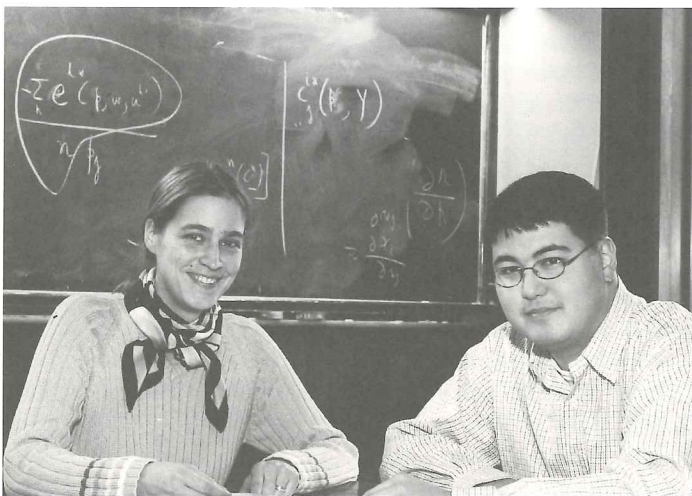
Cowles Foundation News

Macro Jamboree

Last year, in addition to a conference on incomplete markets, the "Cowles Jamboree" sponsored a yearlong series of talks in the field of macroeconomics. Under the guidance of Giuseppe Moscarini, and with the generous support of the Cowles Foundation, the jamboree welcomed eleven esteemed scholars to campus. Each was invited to give a seminar designed to demonstrate research techniques. In addition, during the fall semester, each visitor delivered two guest lectures in Professor Moscarini's advanced macroeconomics course. The jamboree provided a rare opportunity for students to meet with a wide range of macroeconomists from other institutions and to discuss possible venturings into the field. It also exposed students to methodological problems and prospects in practical research settings.

The jamboree began with a visit from Steve Davis of the Chicago School of Business, who presented a Cowles seminar entitled "On the Gains to International Trade in Risky Financial Assets." In October, Narayana Kocherlakota of the University of Minnesota and Chris Pissarides of the London School of Economics ran workshops on "Societal Benefits of Nominal Bonds" and "Search and Matching in Labor Markets," respectively. They were followed in November by **Steven Durlauf** '86 PhD of the University of Wisconsin with a seminar entitled "Economic Growth and Reality" and in December by Nobu Kiyotaki of the London School of Economics and MIT who lectured on his research with John Moore on credit cycles and the interaction between credit and goods markets.

The spring 2001 semester began with Per Krusell of the University of Rochester who spoke about "Temptation and Taxation." In March, Edward Prescott visited from the University of Minnesota to run a seminar on "Taxes, Regulations, and Asset Prices." His colleague at Minnesota, V. V. Chari, followed with "Financial Crises as Herds." Three scholars concluded the jamboree in April with presentations on bounded rationality and macroeconomics: Thomas Sargent from Stanford on "Wanting Robustness in Macroeconomics"; In-Koo Cho from the University of Illinois on "Escape Dynamics"; and Lars Peter Hansen from the University of Chicago on "Robustness and Pricing with Uncertain Growth."



Nicola Fuchs, left; Andrew Lemon, right

Cowles Foundation Fellowships and Prizes for Graduate Students

The Carl Arvid Anderson Prize Fellowship in Economics

Anderson Fellows receive one semester of funding to relieve them of teaching responsibilities; it allows advanced graduate students to devote their energies to dissertation research. The prize, funded by a generous gift from Yale College alumnus Carl A. Anderson '36S, is intended to "promote the development of more effective methods of inquiry in economics and the dissemination of information resulting from such studies."

2001-2002 prizes: Michael McBride, Jane Toman, Bjorn Tuypens

2000-2001 prizes: Talia Bar, Gerard McDonald, Yixiao Sun, Tao Wu

Cowles Foundation Graduate Student Fellowships

The Cowles Fellowship Prize is given to entering graduate students for a period of four years, in recognition of outstanding potential for research in the spirit of the Cowles Foundation. The prize supplements the stipend awarded by the Graduate School.

2001-2002 prizes: Yoonseok Lee, Huaming Peng, Marzena Rostek, Kyunchul Song

2000-2001 prizes: Guy Berger, Caterina Calsamiglia, Ana Fostel, Rustam Ibragimov, Andrew Lemon, Xiangyang Li, Aaron Zoble

Cowles Foundation Summer Prize

The Summer Prize is awarded to students to allow them to devote the summer to research and study in accordance with the tradition of the Cowles Foundation.

Summer 2001 prizes: Richard Akresh, Renzo Comolli, Nicola Fuchs, Patrik Guggenberger, Ling Hu, Shareen Joshi, Elena Krasnokutskaya, Timo Makela, Yixiao Sun, Sergio Turner, Feng Zhu

Summer 2000 prizes: Renzo Comolli, Amil Dasgupta, Patrik Guggenberger, Guenter Hitsch, Seunghyun Hong, Jong Kim, George Korniotis, Elena Krasnokutskaya, Sze Sze Lau, Timo Makela, David McKenzie, Ioannis Sarafidis, Sofia Sheidvasser, Yixiao Sun, Sergio Turner

About the Cowles Foundation

The Cowles Foundation was founded in 1932 and worked in tandem with the Econometric Society, which had been formed in 1930. The Cowles Foundation was established as an activity of the Yale Department of Economics in 1955 and has as its purpose the conduct and encouragement of research in economics and related social sciences, with particular emphasis on the development and application of logical, mathematical, and statistical methods of analysis.

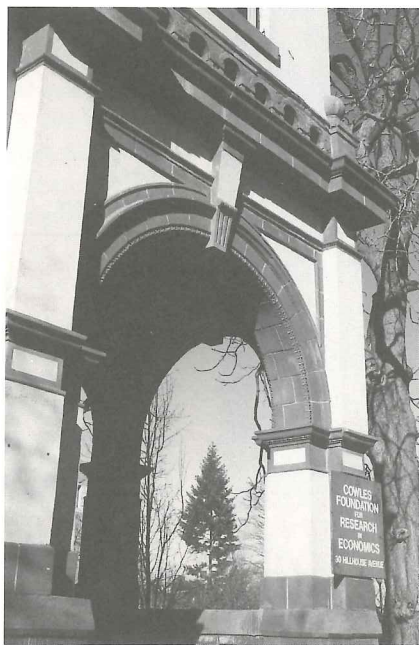
Cowles Foundation Conferences

The Cowles Foundation sponsored four academic conferences in 2001, all of which brought renowned economists to New Haven for intellectual exchange and community building. Full schedules for all these events can be found at the Foundation's website: <http://cowles.econ.yale.edu/>.

Missing Financial Markets, a conference organized by Bob Shiller and John Geanakoplos, was held on April 27, 2001. Papers were presented by Harry Mamaysky and Matthew Spiegel (Yale School of Management), Gabrielle Demange (Ecole Normale Supérieure and its Département et Laboratoire d'Economie Théorique et Appliquée, France), George-Marios Angeletos (MIT) and Laurent E. Calvet '98 PhD (Harvard), Steven J. Davis and Paul Willen '97 PhD (University of Chicago), Patrick Kehoe (Federal Reserve Bank of Minneapolis) and Fabrizio Perri (New York University), and Franklin Allen (University of Pennsylvania) and Douglas Gale (New York University). Discussants were Stefano Athanasoulis '95 PhD (University of Notre Dame), Rohit Rahi and Nobuhiro Kiyotaki (London School of Economics), Guy Laroque (Ecole Nationale de la Statistique et de l'Administration, France), Marianne Baxter (Boston University), and Michael Magill (University of Southern California).

Incomplete Markets and Strategic Market Games, held in the Cowles Lounge, April 28-29, 2001, was organized by Martin Shubik and John Geanakoplos. Participants included Michael Magill (University of Southern California), Rohit Rahi (London School of Economics), Martine Quinzii (University of California at Davis), Massimo Morelli (Ohio State University), Per Bak (the Niels Bohr Institute and the Sante Fe Institute), and Herakles Polemarchakis (Brown University).

Psychology and Economics, a conference organized by Itzhak Gilboa, was held September 24-25, 2001, in the Common Room at 28 Hillhouse Avenue. Presenters included Daniel Kahneman (Princeton), George Loewenstein '85 PhD (Carnegie Mellon), Colin Camerer (California Institute of Technology), Drazen Prelec (MIT), Eva Gilboa-Schechtman (Bar Ilan University) and Itzhak Gilboa (Tel-Aviv University), Ted O'Donoghue (Cornell), Andrew Postlewaite (University of Pennsylvania) with O. Compte (CERAS), Hanming Fang (Yale) and Daniel Silverman (University of Pennsylvania), and David Laibson with X. Gabaix (both of Harvard).



Among the nine session topics were "Mental Accounting and Absentmindedness," "Procrastination on Long-Term Projects," and "Confidence Enhanced Performance."

Debates and Rhetoric, a conference held on September 28, 2001, was organized by Stephen Morris '91 PhD. Speakers included Itzhak Gilboa (Tel Aviv University) with E. Arágones (Universitat Pompeu Fabra), Andrew Postlewaite (University of Pennsylvania), D. Schmeidler (Tel Aviv University), Ricky Lam '00 PhD (Northwestern University) with Vincenzo Damiano '00 PhD (University of Toronto), Ariel Rubinstein (Princeton, and Tel Aviv University) with J. Glazer (Tel Aviv University), and Ran Spiegler (Tel Aviv University). Topics included "Rhetoric and Analogies," "Learning and Reasoning with Concepts," "Debates and Decisions: On a Rationale of Argumentation Rules," "Argumentation and Decision Biases in Multi-Issue Debates," and "Campaign Rhetoric: A Model of Reputation."



Farooq Naseer, left; Hanming Fang, right

International Conference of the Society for Computational Economics Held at Yale

The 7th International Conference of the Society for Computational Economics was held on June 28 – 29, 2001, on the Yale campus. It was organized by John Rust, and sponsored by the Cowles Foundation and the *Journal of Applied Econometrics*. The purpose of the yearly conference, held at different locations throughout the world, is to explore the intersection of economics and computation. Included within computational economics are special interest groups focusing on computational approaches to agent-based models, econometrics and statistics, finance, macro modeling, and dynamics, as well as on Internet economics, programming languages, and teaching of computational economics. Some of these areas are unique to computational economics, while others extend traditional areas of economics to new areas through computational techniques.

This year's conference will be held in Aix-en-Provence, France, June 27 – 29, 2002.

International and Development Economics Program News

Since its inception in 1955, Yale University's one-year master's degree program in International and Development Economics (IDE) has awarded degrees to nearly 500 students from 69 different countries. The program, which is administered by the Economic Growth Center on behalf of the Department of Economics, is designed to provide rigorous academic training to students whose careers are or will be in the area of economic development or international economics. The faculty director for the IDE program in 2001-2002 is Bob Evenson.

The global economic environment has become increasingly complex and poses a myriad of new challenges for policy makers and professionals in all fields. Change in both the political and economic arenas has been rapid; policy makers must be able to respond quickly and appropriately to new conditions. The ability to respond requires that leaders have a detailed understanding of the economic forces that affect economic growth, influence international trade, and shape the world. The curriculum of the IDE program is designed to help students develop a solid core of analytic skills that will be of value in meeting such challenges in subsequent professional work.

Many of the students entering the IDE program are early career professionals in the public or private sectors in developing coun-

tries; approximately 25% of each class comes directly to Yale from undergraduate studies. In addition, students from the developed countries who have a strong interest in international and development economics have contributed to and benefited from the program. Graduates of the program serve in government ministries, planning agencies, central banks, academic institutions, private firms, and international agencies.

Two joint degree options are available to students in addition to the regular IDE program. The joint IDE/Environmental Studies program allows students to earn both the master of arts degree in economics and the master of environmental studies degree from the School of Forestry and Environmental Studies. The joint degree program with the Yale School of Management provides students with the option of earning the master of business administration (MBA) degree in addition to the M.A. Both joint degree programs entail two and one-half years of study.

Although some IDE students continue in their studies to earn additional degrees, the program is not intended as an integral part of a Ph.D. degree track in economics. Students desiring a Ph.D. are encouraged to apply directly to the doctoral program.

Students 2001-2002

The IDE program welcomed its largest class this fall as thirty-one students from around the world settled into New Haven. In addition to these new students, five others returned to do a second year in the program during which they will complete a research project.

New Students 2001-2002

Bratislava	Mark Bocchetti
Brazil	Gustavo Ioschpe
China	Shirley Lu Guoqian Wang Stella Xu Danchen Yu
France	Francois Colombani
Hong Kong	Helen Cheng
Japan	Ai Oku Akiko Sugita Naoko Yamaguchi Yuji Yokobori
Korea	Jong-Uk Choi
Mexico	Karina Garcia-Casalderry Ricardo Garza-Paez Monica Payro
Peru	Irma Naranjo
Russia	Andrey Karasev
Singapore	Ru Hui Chua Kevin Fan Lyndis Kang Aaron Maniam Ren Yeong Sng Chee Keong Jason Teo Kim-Leng Teo
Spain	Mariano Bosch
Taiwan	Yen-Cheng Chang Hsu-Ching Hsiao Shu-Hsing Lee
Thailand	Chavanond Inarakomalysut
United States	Christopher Shackelton

Returning Students 2001-2002

Indonesia	Danny Hermawan
Mexico	Maui Salazar
Ukraine	Vadim Tantsyura
United States	Nisha Mehta Sinem Sonmez

New Students 2000-2001

Armenia	Zaruhi Mels Sahakyan
Brazil	Antonio Carlos David
Colombia	Luisa Fernandez Charry
Hong Kong	Aileen Wong
India	Shweta Bagai Swati Suresh Sawhney
Indonesia	Rani Fatima Danny Hermawan Dwi Sabardiana
Japan	Koichi Chiyo Hiroshi Minami Yasuhiro Mizukoshi Yasushi Sumitani Tavneet Kaur Suri
Kenya	Tavneet Kaur Suri
Korea	Yung Gi Hong Dongsoo Kim
Mexico	Patricia Gonzalez de Rosso Maui Monserrat Salazar
Singapore	Yi Chian Chang Adrienne Swee Lin Goh Cheng Hin Saw Shawn Tan Ryann Shu Fern Yap
Thailand	Thong Benjasil
Ukraine	Vadim V. Tantsyura
United States	Nisha Mehta

Alumni Notes—IDE Program

Luisa F. Charry '01 MA is currently working at the Special Affairs Division in the Economic Research Department of the Colombian Central Bank (Banco de la República).

Alissa DeJonge '00 MA is a research analyst at the Connecticut Economic Resource Center, where she performs extensive research and analysis concerning state and regional issues. Her work includes industry profiles, competitive intelligence, regional analysis, survey research, benchmarking and evaluation.

Tavneet Suri '01 MA is now enrolled in the PhD program in economics at Yale.

Tarnthong Thongswasdi '79 MA is parliamentary secretary for the Thailand Ministry of University Affairs and advisor to the deputy minister of Labor and Social Welfare. She has previously held appointments as parliamentary secretary for the Ministry of Foreign Affairs, as dean of the School of Political Science at Sukhothai Thammathirat University, and as deputy director of the European Studies Program at Chulalongkorn University, where she was editor of the university's *Journal of European Studies*. She is the author of over 50 publications in the fields of political science and international relations.

Economic Growth Center News

Economic Growth Center Renovations

Renovations have been taking place up and down Hillhouse Avenue in recent years, and now – not a day too soon – work has begun on 27 Hillhouse, home of the Economic Growth Center. Improvements will include new paint and stucco, a new roof, a modern heating and central cooling system, and a new high-speed telecommunications system. Offices will be added onto



what is now the first-floor porch. New carpeting, light fixtures and plumbing are also anticipated. We expect to publish a complete report, with photographs, in the next issue of the newsletter.

New Director for the Economic Growth Center



Christopher Udry '91 PhD has just completed his first year as director of the Economic Growth Center. The center is dedicated to understanding the economic development process within low-income countries, and how development is affected by trade and financial relations between these countries and those that developed earlier.

Professor Udry returned to Yale in the fall of 1998 from Northwestern University where he had established himself as one of the foremost American economists specializing in African development. His exciting approach to economic research – described as “a kind of economic anthropology” by former Yale African Studies Council Chair David Apter – has taken him to Zaria, Nigeria, where he conducted a year-long survey of individual households that resulted in his dissertation, “Rural Credit in Northern Nigeria.” Since completing his PhD, Professor Udry has received several National Science Foundation grants and, in 1996 and 1997, was a Fulbright Fellow in Ghana where he conducted a study of agricultural innovation and resource management. In addition to directing the Economic Growth Center, Professor Udry is chair of the African Studies Council of the Yale Center for International and Area Studies.

Economic Growth Center Prize

The Economic Growth Center Prize, established in February 2001, provides four years of support to incoming graduate students. The prize is awarded in recognition of outstanding potential for research in the spirit of the Economic Growth Center and is meant to supplement stipend awards from the Graduate School. The students receiving the first of these awards are Dmitri Chapiro and Tavneet Suri.

Conference on the Political Economy of Development

The Economic Growth Center hosted a conference on the political economy of development March 16 – 18, 2001. It was organized by Leonard Wantchekon of the Yale Department of Political Science, and Dilip Mookherjee of the Department of Economics and Institute for Economic Development at Boston University.

Sessions were held on institutions and development (Chris Udry '91 PhD of Yale, chair), law and property rights (Tom Romer '74 PhD of Princeton, chair), democracy and government responsiveness (Stephen Morris '91 PhD of Yale, chair), regulation and political economy (Pranab Bardhan of UC Berkeley, chair), and decentralization (Paul Schultz of Yale, chair).



Faculty members and incoming PhD students gathered for pizza and conversation during the department's “math camp” last August (see article, page 12). Faculty shown include Bob Evenson, David Pearce, Steve Morris, Chris Udry, Eduardo Engel, Al Klevorick, Bill Brainard, Stefan Krieger, Giuseppe Moscarini, Paul Schultz, Dirk Bergemann, Ben Polak, Truman Bewley and T.N. Srinivasan. Many alumni will also spot graduate registrar Pam O'Donnell in the front row.

Summer Math Camp for Incoming PhD Students



Each summer, incoming students in the PhD program attend the department's "math camp." For three weeks in August, the students work through a full-immersion short course designed to help them master an important set of skills necessary to the study of economics. The course is designed to provide material useful for a student's graduate career, as well as for future post-graduate research and study. The hope is that students will master mathematic methods early – so that they become useful tools, rather than discouraging hurdles.

This summer the course was taught by Professor Giuseppe Moscarini (*above*) and was titled "An Introduction to the Theory of Optimization on Finite- and Infinite-Dimensional Spaces." Course material covered three main areas: a review of relevant background knowledge and skills, the maximization/minimization of a map defined on a finite-dimensional space, and then on an infinite-dimensional space. Students were given problem sets that allowed them to work out the methods reviewed in the course. The students' work for the course was not graded or assigned credits, as the purpose was not to encourage study (new graduate students are already motivated), but to lay the groundwork for a successful and enjoyable experience at Yale.

Judging from the comments of some of this summer's participants, math camp is successful on several levels. Many students were introduced to fundamental concepts such as metric spaces, convex functions, and Weierstrass's Theorem. For those already familiar with the basic concepts and theorems, Professor



Above: Math camp session



Marzena Rostek, left; Carolyn Moehling, right

Left to right: Kevin Song, Marek Weretka, David Pearce, Daniel Monte, and Ulrich Wagner

Left to right: Rudiger Bachmann, Truman Bewley, and Daniel Monte



Moscarini's insistence on a familiarity with proofs was enlightening. According to Marzena Rostek, one of this year's participants, the study of proofs was especially instructive. "First," she says, "it allows us to master our skills in proving the results; second, it gives us an insight into interdependence between various methods."



Left to right: George Trimis, Huaming Peng, Melody Lo, Emily Zhao, and Eduardo Engel

David Albouy, another participant, believes that "the most important role of the math camp is to give us a head start in getting to know each other, the department, and New Haven." Renzo Comolli, a fourth-year graduate student, compiled a restaurant guide for the new students that introduced them to the gastronomical pleasures of New Haven. According to Mr. Albouy, he and his classmates have already sampled a lot of the city's prized pizza. A group of students even took a daytrip to New York City where – in the innocent days before September 11 – they visited Times Square, the top of the Empire State Building and attended a performance of the Broadway musical *Blast*.



Graduate Student News — Entering students, PhD program:

Fall 2001

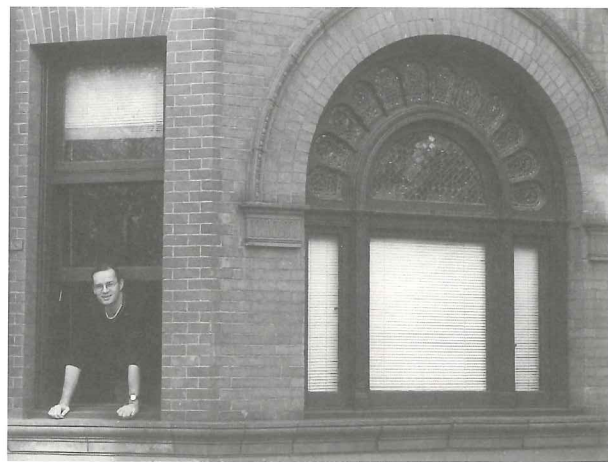
David Albouy (McGill University, Canada)
 Rudiger Bachmann (University of Mainz, Germany)
 Jinhul Bal (Renmin and Beijing Universities, China)
 Dmitri Chapiro (Moscow State University, Russia)
 Amalavoyal Chari (Calcutta University, India)
 Andrea Frazzini (University of Rome, Italy)
 Christopher Ksoll (University of Mannheim, Germany)
 Yoonseok Lee (Seoul National University, South Korea)
 Pei-Yu Lo (National Taiwan University)
 Calixto Lopez Castanon (Instituto Tecnológico Autónomo de México)
 Daniel Monte (University of Sao Paulo, Brazil)
 Huaming Peng (Macquarie University, Australia)
 Marzena Rostek (University of Warsaw, Poland)
 Siddharth Sharma (St. Stephens College, Delhi, India)
 Kevin Song (Seoul National University, South Korea)
 Tavneet Suri (Cambridge University, UK)
 George Trimis (University of Kent, UK)

Ulrich Wagner (University of Kiel, Germany)
 Marek Weretka (Warsaw School of Economics, Poland)
 Ying Zhao (Wuhan University, China)
 Zhuang Zhuang (UC Irvine)

Fall 2000

Shamena Anwar (UC Berkeley)
 Rosa Argenziano (University Navale)
 Aleksander Askeland (Oxford University)
 Carlos Bazdresch Barquet (ITAM)
 Guy Berger (UC San Diego)
 William Bunting (Carleton College)
 Caterina Calsamiglia (Pompeu Fabra)
 Brian Dineen (Oxford University)
 Ana Fostel (IMPA)
 Bernardo Guimaraes (Sao Paulo University)
 Andrew Hah (University of Minnesota)
 Erik Hjalmarsson (Goteborg University)
 Rustam Ibragimov (Tashkent State University)
 Panle Jia (Tufts University)
 Kevin Kallock (University of Washington)

Andrew Lemon (Vassar College)
 Xiangyang Li (Wuhan University)
 Daniel Mulino (Australia National University)
 Steven Nafziger (Northwestern)
 Farooq Naseer (Lahore University)
 Deran Ozman (Middle East Technical Institute)
 Randi Pintoff (Columbia University)
 Paul Scanlon (Trinity College)
 Philipp Schmidt-Dengler (University of Vienna)
 Henry Schneider (Wesleyan University)
 Harsha Thirumurthy (Oberlin College)
 Ivan Vidangos (Macalaster University)
 Aaron Zoble (UC Berkeley)



The chair's window on the world.

Graduate Student Inter-University Conference Series

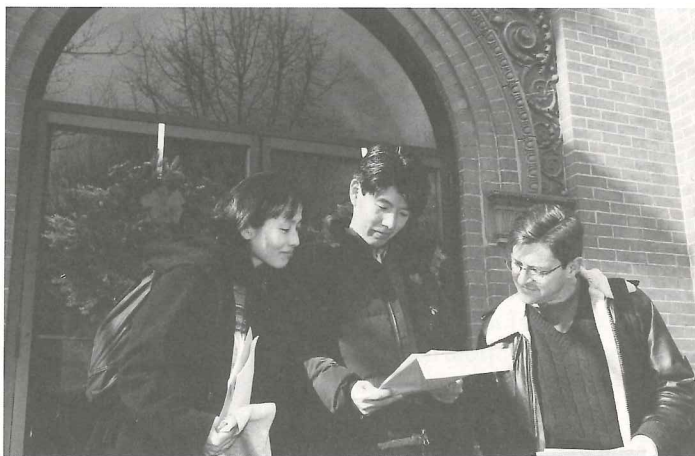
For the last four years, economics graduate students from five universities have held a series of student conferences in hopes of creating a collegial environment in which to present their work, interact with each other intellectually and socially, and develop the professional skills required by the job market – all in a low-pressure setting. In addition to Yale, the other members of the Inter-University Student Conference Series are Columbia, Princeton,

the University of Pennsylvania, and New York University. The very first seminar was held in New Haven in September 1998, organized by **Ricky Lam** '00 PhD and **Ettore Damiano** '00 PhD.

In December 2000, the series enjoyed a successful return to Yale with a conference organized by graduate students **Amil Dasgupta** and **Ana Fernandes**. Talks were given by eight visiting students from UPenn, NYU and Columbia. In April 2001, the series moved to Columbia where papers were delivered by Yale students **Bartosz Mackowiak**, “Monetary-Fiscal Interactions and (In)stability of Price Level Pegs,” and **Liang Peng**, “Dynamics of Effective Quotes and Spreads between Consecutive Trades: A Real-Time Structural Model of Price Formation.”

Ana Fernandes and **Nicola Fuchs** organized the most recent event at Yale, on Friday, November 2, 2001, at which four papers were presented by visitors. According to Amil Dasgupta, the student-organized conferences have been wildly successful. Not only have they provided graduate students with the opportunity to present their research in a professional setting, but they have also fostered occasional collaborations among students from the various universities. Dasgupta, for example, is currently engaged in an ongoing project with an NYU student.

For more information on the conference series, visit its website: <http://www.geocities.com/interuniversity/>.



Left to right: IDE students Naoko Endo, Yuji Yokokori, and Mark Bocchetti.

Graduate Student Dissertations, Advisors, and Job Placements —

May 2001

Chris MacDonagh-Dumler, "Import Expansion in the DRAM Industry: Estimating the Impact of the Semiconductor Trade Arrangement on Competition"; Peter C. B. Phillips; International Monetary Fund.

David McKenzie, "Dynamic Pseudo-Panel Theory and Analysis of Consumption in Taiwan and Mexico"; Peter C. B. Phillips; Stanford University.

Mario Simon, "Attentional Aspects of Choice"; David Pearce; McKinsey and Company.

Balázs Váradi, "Essays in the Economics of Education and Non-Profits"; Steven Berry; Central European University.

Tao Wu, "Macro Factors and the Affine Term Structure of Interest Rates"; Christopher Sims; Federal Reserve Bank, San Francisco.

Bradford Case, "Essays in Real Estate Finance and Asset Allocation"; Robert Shiller; Federal Reserve Board.

Vincenzo Damiano, "Choice Under Limited Certainty"; Benjamin Polak; University of Toronto.

DeSilva, Sanjaya, "Essays on land tendency and imperfect labor markets" Robert Evenson; Bard College.

Chang Sik Kim, "Econometric Analysis of Fractional Processes"; Peter C. B. Phillips; University of British Columbia.

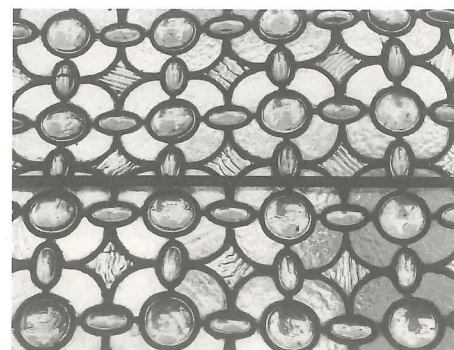
Michael U. Krause, "Inter-Industry Wage Differentials and the Creation and Destruction of Jobs"; Giuseppe Moscarini; Tilburg University, The Netherlands.

Ricky Lam, "Learning Through Stories and Other Essays"; David Pearce; Northwestern University.

Brian Loneragan, "A Mechanism for Privatizing the Choice of Social Insurance"; Benjamin Polak; Visiting Professor, University of Melbourne.

Thomas A. Lubik, "Two Essays in Open Economy Macroeconomics"; Christopher Sims; Johns Hopkins University.

Terence Henry Martin, "The Impact of Worker Ownership on Firm-Level Performance: A Comparative Study"; T. N. Srinivasan.



Thong Huy Nguyen, "Essays on the Term Structure of Interest Rates"; Peter Phillips; Hong Kong University of Science & Technology.

Harit Rodprasert, "The Effects of Regulating Inter-Jurisdictional Allocations of Corporate Taxable Profits"; Robert Evenson.

Sarah Senesky, "Employer Preferences and the Determination of Hours of Work"; Michael Boozer; UC Irvine.

Katsumi Shimotsu, "Econometric Estimation of Models of Fractional Integration"; Peter C. B. Phillips; University of Essex.

Mototsugu Shintani, "Nonparametric Econometrics for Nonstationary and Chaotic Data"; Peter C. B. Phillips; Vanderbilt University.

May & December 2000

Naohito Abe, "Three Essays on Monopolistic Competition and Its Policy Implications"; Koichi Hamada; Hitotsubashi University, Japan.

Hugo Benitez-Silva, "Dynamic Life Cycle Models of Labor Supply, Consumption Saving, Annuities, and Job Search Behavior With Empirical Applications"; John Rust; SUNY Stony Brook.

Graduate Placement Program

Each year, the department's placement program helps advanced graduate students prepare for, and successfully navigate, the job market. In recent years, the program has achieved a high rate of success: 13 students on average are placed each year; and as many as 24 have secured positions at prestigious institutions.

During the fall semester, the department's designated faculty placement officers host regular meetings with students to work on vita and abstract preparation, to advise on seminar presentations and to practice interviews. Students present brief synopses of their work and receive constructive feedback from peers and mentors. By mid-October, placement packets containing detailed information about the individual student have been compiled and made ready for distribution to approximately 400 academic, government, industrial, consulting and financial institutions. For employers seeking Yale graduates, the economics placement website (www.econ.yale.edu/graduate/placement.html) is updated regularly. During this time, advisors, committee members, and placement officers meet to discuss the prospects and desires of individual students. In late October and early November, representatives from the IMF, World Bank, and one or two academic institutions visit the Yale campus and interview interested students. By the middle of November, letters of recommendation and student job market papers have been polished and sent out. The final stage of the

placement program takes place in December when students are given the opportunity to participate in a mock interview with faculty.

During the 2000-2001 academic year, the program was run by Professors Philip Levy and Peter Phillips and graduate registrar Pam O'Donnell, with the active participation of numerous faculty members. The placement officers receive messages from recruiting chairs and faculty at other institutions, are in constant contact with students and advisors, and generate much active interest in Yale-trained economists. A total of fourteen candidates found jobs with a variety of institutions. Academic appointments were made at Cornell, Stanford, Middlebury, Chicago, Washington, Indiana, The European Institute of Business Administration (INSEAD), and Toronto. Others accepted positions at the Federal Reserve Banks in Minneapolis and San Francisco and with Fannie Mae in Washington, D.C. Another former student is currently working for the Bates, White & Ballentine Consulting Group. Clearly, the work of the placement program team has helped Yale graduates obtain highly sought-after positions and has encouraged prospective students to consider the value of a degree from the Yale Department of Economics.

Placement officers for the current academic year, 2001-2002, are Peter Phillips and Bill Brainard.

Alumni Notes —

Margaret M. Blair '89 PhD is the Sloan visiting professor at Georgetown University Law Center, research director of the Sloan-GULC Project on Business Institutions, and a senior fellow in the economic studies program at the Brookings Institution.

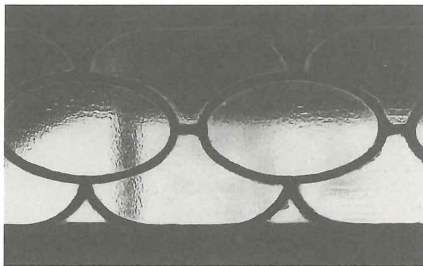
Lars Osberg '75 PhD is McCulloch Professor of Economics at Dalhousie University in Halifax, Nova Scotia, where he researches labor, income distribution, and social policy. He was president of the Canadian Economics Association in 1999 – 2000.

Lisa M. Schineller '93 PhD is associate director for sovereign ratings, Latin America, at Standard & Poor's in New York City.

Michael Smitka '89 PhD is professor of economics at Washington and Lee University, where he studies the automobile industry and Japanese economic history.

David Vail '71 PhD is Adams-Catlin Professor of Economics and director of environmental studies at Bowdoin College, where he conducts research on ecotourism and sustainable rural development. He is writing a book provisionally titled *Ending Corporate Welfare* with Richard Barringer and Orlando DeLogu, and is the author of *The Greening of Agricultural Policy in Industrial Society* (Cornell, 1994).

Janet Yellen '71 PhD was recently elected by alumni to serve as a member of the Yale Corporation; her six-year term began on July 1, 2000. She is professor of economics at UC Berkeley, the Eugene E. and Catherine M. Trefethen Professor of Business Administration at the Haas School of Business, and a former chief economic advisor to President Clinton. She gave a talk in the Graduate School's Tercentennial Lecture Series on October 4, 2001.



Conference on American Banking

A conference titled "The Future of American Banking: Historical, Theoretical, and Empirical Perspectives" was held at Yale November 9 – 10, 2001. It was co-organized by William English '82, senior economist for the Board of Governors of the Federal Reserve System, and Professor Timothy Guinnane of the Yale Department of Economics, with funding from the Yale Provost's Office and the Cowles Foundation.

According to Professor Guinnane, the conference "drew together economic historians, economic theorists, and applied economists interested in banking and related issues to discuss recent developments in both the banking sector and in theoretical perspectives on financial intermediation. The organizing principle was to pair each paper-giver with a discussant employing a different approach. For example, the economic historians' papers were discussed by theorists or individuals who study contemporary banking systems."

Three working sessions were devoted to (1) runs and crises, (2) regulation and risk, and (3) banks and banking markets. Yale economists and alumni who participated as presenters or discussants include Charles Calomiris '79 BA, Amil Dasgupta (current graduate student), Douglas Diamond '80 PhD, William English '82 BA, Timothy Guinnane, Carolyn Moehling, Stephen Morris '91 PhD, Ben Polak and Christopher Udry '91 PhD.

For further information, see <http://www.econ.yale.edu/econhist/banking/banking2.html>.

IN MEMORIAM: ALUMNI

John Koehler '63, '68 PhD died of cancer December 14, 2001, at the age of 60. In a wide-ranging career, he served as deputy director of the CIA and founded the first company to offer two-way, high-speed Internet access via satellite. Although declining health had forced Mr. Koehler to resign in 2000 from Tachyon Inc., the data networking services company he launched in 1997, after the Sept. 11 terrorist attacks he offered his services to the government as an advisor. With his experience in creating budgets for the government's intelligence-gathering functions, he was asked to help develop the budget for the White House Office of Homeland Security. He filed what became his final report three days before his death.

Born in Olympia, Washington, Mr. Koehler earned a scholarship to Yale, graduated summa cum laude in 1963, and went on to earn a doctorate in economics. Recruited to work at the Rand Corporation, he specialized there in national and international security. According to the *Los Angeles Times*, Charles Wolf, the Rand senior economics adviser who hired Mr. Koehler, said that he still marvels at Koehler's ability to elucidate an elaborate World Bank forecasting model of the Indonesian economy—by condensing 300 equations into eight.

Mr. Koehler left Rand in 1975 to become assistant director of the Congressional Budget Office, where he established the National Security and International Affairs division and directed studies of U.S. defense policy. He served as a CIA deputy director and director of the Intelligence Community Staff from 1978 to 1982, then joined Hughes Electronics, later becoming president and chief executive of Hughes Communications. He helped that company to launch DirecTV as a satellite broadcasting system, among other ventures. In the 1990s, he served as chief operating officer of the San Diego-based Titan Corp., maker of satellite equipment for commercial and government customers.

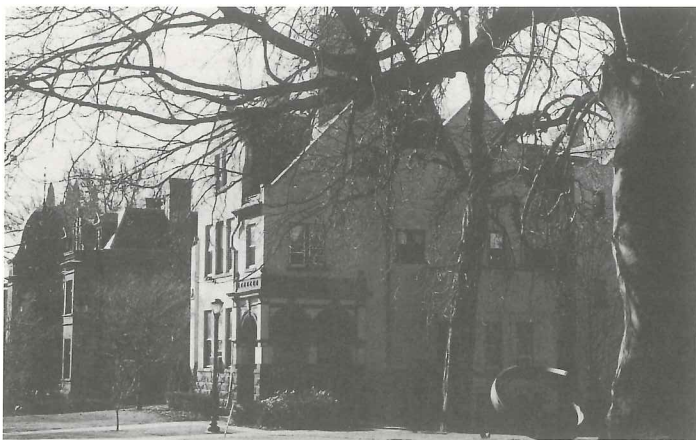
He is survived by his wife, Susan, a daughter, two sons, his mother, and a sister and brother.

Ian Livingstone '57 MA died September 14, 2001, at the age of 67. He was a development economist who prepared the first socio-economic development plan for Cambodia, established an economics master's degree program at Makerere University in Uganda, and performed numerous studies focusing on the improvement of human living standards.

Mr. Livingstone, born in Paris of Scottish parents, was educated in Glasgow before coming to Yale to earn a master's degree. His academic career began in 1958 in the fledgling department of economics at Makerere University College in Uganda. He moved to Sheffield University in 1961 to lecture in economic statistics, returning four years later to Makerere to head the economics department, then to lead the economic research bureau at the University of Dar es Salaam, Tanzania. In 1974-5, as research professor in the Institute of Development Studies at the University of Nairobi, he became interested in pastoral communities and led irrigation development work in the Commonwealth Secretariat Project in Tanzania; the three-volume report he generated remains a major reference work in that field.

In 1978 Mr. Livingstone moved to the University of East Anglia, where he remained through his retirement in 2000. During his time in the United Kingdom, his extensive public service included membership in the Overseas Development Administration's economic and social committee on research (1977-92) and the Commonwealth Scholarships Commission (1995-2001).

Mr. Livingstone is survived by his wife, Grace, and four children.



Economics Department — Recent Statistics

Actively enrolled graduate students in 2001-2002:

PhD program: 135

IDE program: 36

Graduate students entering PhD program:

2001-2002: 21

2000-2001: 28

Graduate students entering IDE master's program:

2001-2002: 31

2000-2001: 22

Undergraduate majors in economics:

2001-2002: 143

2000-2001: 167

Economics degrees granted in 2001:

BA: 167

MA (IDE): 24

MA (other): 23

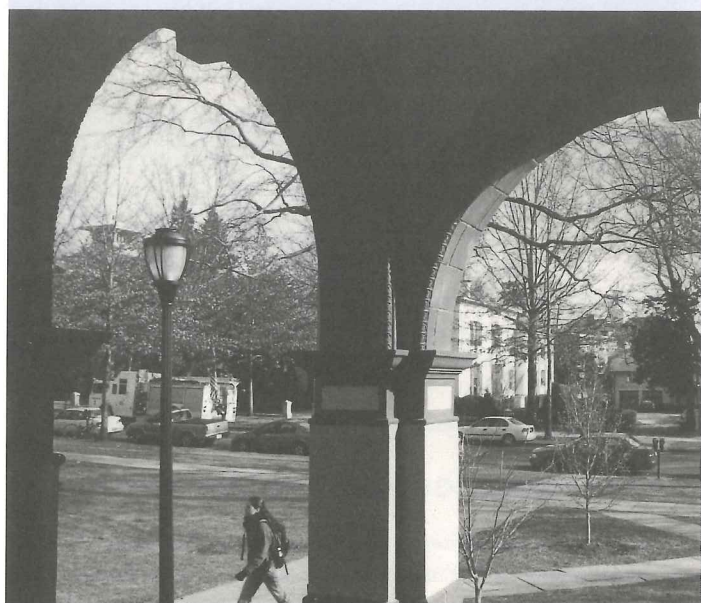
MPhil: 21

PhD: 16

Special Departmental Events —

The Arthur M. Okun Lecture Series honors a gifted economist who taught at Yale from 1952 to 1960, and later served as chairman of the President's Council of Economic Advisors during the Johnson Administration. In March 2001, Joseph E. Stiglitz, then of Stanford University and now of Columbia, gave a series of three lectures entitled "A Tale of Two Countries: Transition to a Market Economy in China."

The 15th Annual Simon Kuznets Memorial Lecture Series was delivered in October by **Joel Mokyr '74** PhD of Northwestern University, and titled "The Industrial Revolution: The Continuing Paradox." The lecture series honors Simon Kuznets, founding father of the Economic Growth Center and a member of the Yale economics academic advisory committee. He received the Nobel Prize in economics in 1971.



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