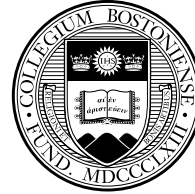


# THE BOSTON COLLEGE ECONOMICS DEPARTMENT NEWSLETTER

August 2002



## Department will move to new building over semester break



After a wait of many years, the Department of Economics is scheduled to move from Carney Hall to the new Faculty and Administration Building on BC's Lower Campus over the 2002-2003 semester break. The Economics and History Departments will share the fourth floor of the

building, which is accessible over the pictured bridge from the O'Neill Library atrium. One or two additional academic departments will inhabit the building, along with administrative offices and the BC police department. The building is convenient to the adjacent parking structure and the Flynn Recreation Complex.

The new building will permit the entire department—all faculty, staff, teaching fellows and assistants and research assistants—to work in adjacent



space. The department's facilities will also contain a graduate student lounge, two computer rooms, a small conference room and a seminar room shared with History. A larger conference/seminar room is available on the fifth floor. Nostalgic alumni will be glad to learn that there is no definite replacement for Carney 11 in the blueprints.

## Matteo Iacoviello joins the department faculty

The Department was successful in the job market search this year, hoping to fill one position at the junior level. Our evaluation of a number of excellent candidates led to the appointment of Matteo Iacoviello, who has just received his Ph.D. from the London School of Economics, advised by Prof. Nobuhiro Kiyotaki. Iacoviello specializes in monetary theory and policy, applied macroeconomics, and applied time series. The central chapter of his dissertation, "Monetary Policy, Asset Prices and the Business Cycle: A Theoretical and Empirical Analysis," involves an interesting exploration of the roles played by asset prices, debt obligations and borrowing constraints in the monetary transmission mechanism. The work focuses on housing prices and their response to macroeconomic shocks, demonstrating how these sizable assets, ignored in much of the prior analytical literature, may have important effects on households' real and financial decisions. Other chapters of his dissertation focus on international empirical evidence on the credit channel of monetary policy in housing markets and housing price cycles and their links with the real economy.

Matteo also received his M.Sc. from LSE, with a Laurea (B.Sc.) degree in economics from University of Rome Tor Vergata. He has served as a tutorial fellow for graduate capital markets and macroeconomics courses at LSE; Matteo will teach graduate monetary economics, a

*Continued, p.10*

## COMMENCEMENT 2002

Many emotions come into play on Commencement Day. There is so much happiness for those who have achieved their long sought-after goal, and yet there is a touch of sadness attached to our happiness as we watch those we've come to know so well move on. (Do you think it's reciprocal?) Who could want it any other way. Listed in order of completion are the dedicated group who have met all requirements to be eligible to receive Ph.D. degrees this year and their thesis topics: **Ümit Özlale**, "Essays on Central Banking"; **Cesare Robotti**, "Essays in Empirical Asset Pricing"; **Andreas Waldkirch**, "Two Essays on Regional Integration and Foreign Direct Investment and One Essay on Intergenerational Linkages in Consumption Behavior"; **Vasso Ioannidou**, "Financial Intermediaries and the Macroeconomy"; **Maurizio Zanardi**, "Essays on Antidumping and International Trade"; **Helen Connolly**, "Low-Educated Workers in the U.S. and Canada: Essays in Job Mobility and Self-Sufficiency"; and **Can Erbil**, "Trade Taxes Are Better?!?"

Dr. Can Erbil became the second Ph.D. from our program to win the Donald & Helene White Prize for the best dissertation in the social sciences division of the Graduate School of Arts and Sciences. Erbil has received an appointment at Brandeis University, where he teaches graduate courses in international trade and globalization, development economics, and econometrics. He is currently researching the welfare implications of agricultural trade reforms in a project for the International Trade Division of the World Bank.

Fifteen Master's degrees in economics were conferred: recipients included Oleg Bizyaev, Sheila Campbell, Yuanyuan Chen, Zhihong Chen, Shihe Fu, Cristian Galizzi, Kolver Hernandez-Arreortua, Mariano Kulish, Asli Leblebicioglu, Sabina Pogorelec, Andrew Samuel, Mauricio Soto, Shunsuke Takeuchi, Nazym Tilemissova, and Guillermina Vidal. Galizzi, Takeuchi and Vidal will not be pursuing the Ph.D.

## Grads Succeed in a Tough Market

"On the road again," or on a plane again, our job seekers traveled near and far to find success on the market and to see where the next chapter of their lives would be written. **Tiziana Brancaccio** will be flying overseas to University College, Dublin, Ireland, where she has accepted a tenure-track position. **Helen Connolly** won't have to journey too far across town to her tenure-track position at Northeastern University. **Mike Giandrea**, on the other hand, will be packing his bags in Ohio and moving on to Washington, DC, to assume duties at the Bureau of Labor Statistics, Productivity Division. Staying in the area, **Joy Ongardanukul** has accepted a tenure track position at the University of Massachusetts-Dartmouth, southeast of here. **Rachida Ouyse** will be flying afar to the University of New South Wales, Sydney, Australia, where she has accepted a tenure-track position. **Niki Papadopoulou** has accepted a one-year visiting lecturer position in the Department of Economics at the University of Cyprus. (Whoever said that you can't go home again?) In June, Niki went to Ente Luigi Einaudi in Rome to begin a four-month research fellowship. **Özlem Sayinta** will be winging it to the United Kingdom, where she has accepted a position at the Bank of England's Monetary Assessment and Strategy Division. **Huanwei Zhao** will be teaching at Suffolk University in Boston in the fall.

---

## BC Econ on the Web

Have you visited our department's Web home page recently? The "Spotlight" button contains links to events of interest in the department, and pictures of social happenings. Our graduate program links provide applicants with all they might want to know about the Ph.D. program, and the Faculty and Working Papers links will bring you up to date on the research activities of our department's prolific scholars. So stop by and check it out!

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

*Jim Anderson's* travels in 2002 took him to the Midwest International Trade meeting in May at Northwestern University, and to the ESEM held in Venice in August, where he presented "Cops and Robbers: Informal Trade and the State." He presented the same paper at a Brown University seminar in April. In March, Jim presented the provocatively titled "From Wild West to the Godfather: Enforcement Market Structure" at the European University Institute in Florence.

*Richard Arnot* has recently been devoting much of his time to editing. He continues to serve as economics editor of the *Journal of Economic Geography*, and is also a co-editor of the Stiglitz Festschrift and Blackwell's *Companion to Urban Economics*. On the research front, he has been working on a monograph on policy alternatives to tolling in dealing with urban traffic congestion, and has been returning to issues in transportation and land use. Apart from being trapped in the transit area of the Frankfurt airport for two days due to 9/11-induced changes in immigration regulations, his life has been relatively uneventful.

*Kit Baum* is well travelled this year, having spent most of January 2002 visiting the University of Liverpool's Department of Economics and Finance, where his former students and current coauthors Mustafa Caglayan and Neslihan Ozkan are members of the faculty. He participated in the department's seminars, attending several and presenting "Dynamics of Intra-EMS Interest Rate Linkages," joint work with BC Ph.D. John Barkoulas. While in the UK, Baum travelled to Edinburgh's Heriot-Watt University and London's City University Business School to present this paper. This summer, he gave the paper one more time at the Society for Computational Economics annual meetings in Aix en Provence, France, where he organized

and chaired several sessions. Co-authors Caglayan and Ozkan presented their current joint work on bank lending, "The Impact of Macroeconomic Uncertainty on Bank Lending Behavior," at these meetings. The three authors will reunite this August at the Econometric Society's European Meetings in Venice, where Baum will present the bank lending paper.

Baum's recent publications include "Exchange Rate Effects on the Volume and Variability of Trade Flows," in the most recent *Journal of International Money and Finance*; "Persistent Dependence in Foreign Exchange Rates? A Reexamination," with BC PhDs John Barkoulas, Mustafa Caglayan and Atreya Chakraborty, forthcoming in an edited volume on *Global Financial Markets: Issues and Policies*; "Residual Diagnostics for Cross-Section Time Series Regression Models," appearing in the inaugural issue of *The Stata Journal*; "The Forward Rate Unbiasedness Hypothesis Revisited: Evidence from a New Test," with Natalya Delcoure, John Barkoulas and Atreya Chakraborty, forthcoming this year in *Global Finance Journal*; and "Facilitating Applied Economic Research with Stata," Chapter 7 in a Kluwer volume entitled *Programming Languages and Systems in Computational Economics and Finance*, edited by Soren Nielsen.

Kit has been appointed a Faculty Moderator in the new Academic Technology Services organization, which he helped design, with special responsibilities for the promotion of statistical computing and database use in research and instruction. His work with librarian Barbara Mento on the Boston College Virtual Data Center, now a component of BC's on-line library catalog, has improved access to many large data sets of interest to empirical researchers across the campus. He continues to be heavily involved with the Graduate Statistical Assistants who have been doing the heavy lifting for much of this project.

*Fabio Ghironi*, aka Fabio the Younger, enjoyed some time away doing what he likes best: fly-  
*Continued, p.4*

*Faculty News... from p.3*

fishing. He was successful in landing a 2.5 pound brown trout on a size 22 black ant, 7X tippet from the Farmington River, Connecticut, Labor Day Weekend 2001, after an almost 15 minute struggle. Spending time at the Metolius River in Oregon on Memorial Day Weekend 2002, Fabio caught a 4 pound rainbow on his "bread fly," 4X tippet. Fabio says that it took "More than 15 minutes struggle to land this baby!" Fabio's spectator love is supporting soccer. (Thanks to Fabio, we all knew who was going to win the World Cup from the start. He was so right!) He made it back to Curva Maratona, Turin's "Delle Alpi" Stadium for the first time in several years to root for Toro on April 6, 2002 (1-1 tie with Bologna's club). Fabio lamented "I missed it so much!"

All is not just fun and games for Fabio: spending useful time at the professional level, he wrote "Net Foreign Assets and the Exchange Rate: Redux Revived," with Michele Cavallo, NYU, appearing in the *Journal of Monetary Economics*, July 2002; "Transatlantic Trade-Offs in the Age of Balanced Budgets and European Monetary Union," with Barry Eichengreen U.C. Berkeley, forthcoming in *Open Economies Review*; "EMU and Enlargement," with Barry Eichengreen, forthcoming in Buti, M., and A. Sapir, eds., *The Functioning of EMU: Challenge of the Early Years*, proceedings of a conference sponsored by the European Commission. (Spanish translation in Garcia Martinez, Pilar, ed., *Nuevos Tiempos para la Vieja Economia Europea*, Editorial Lex Nova, Universidad de Salamanca, 2002.)

From August 2001 to the present, he gave presentations at seminars at Boston College, Dalhousie University, the Federal Reserve Bank of Cleveland, and Harvard University. His conference presentations include Carnegie-Rochester Conference on Public Policy, Carnegie Mellon University, Pittsburgh, November 2001, and the Society for Economic Dynamics Annual Meeting, New York, June 2002. Fabio was a discussant at the International Research Forum on Monetary Policy, European Central Bank, Frankfurt, July 2002. He spent

August and October 2001 as a visiting scholar at the Central Bank Institute, Federal Reserve Bank of Cleveland.

Through Boston College Research Expense Grants, Fabio has been working on "Macroeconomic Interdependence: Theory, Measurement, and Policy Implications," Summer-Fall 2001; "Trade and the Exchange Rate: Quantifying the Role of Assets, Reassessing That of Goods," Winter-Spring 2001-2002; and "Real, Real Exchange Rate Dynamics," Summer-Fall 2002.

*Peter Gottschalk* has been on a faculty fellowship sabbatical for spring semester, but has not slowed down a bit. Starting off in January 2002, he traveled to Canberra, Australia, where he was a visiting scholar in the Economics Program, Research School of Social Sciences at the Australian National University. While in Canberra, he presented papers in the Economics Workshop at the Australian National University and to the research branch of the Australian Department of Family and Community Services. In June 2002 he presented a paper, with Helen Connolly and Katherine Newman, at the Inequality Summer Institute at Harvard University. He continues his affiliations as a research associate with the Institute for Research on Poverty, University of Wisconsin, begun in 1981; at the Center for Retirement Research, begun in 1998; and as a member of the National Academy of Social Insurance, begun in 1996. He is also serving on the editorial board of *Review of Income and Wealth*, which he has been doing since 1998. Peter has been awarded yet another grant by the Russell Sage Foundation to support the project "Does Work experience Change the Attitudes and Expectations of Former Welfare Recipients?" He was the co-organizer, with Robert Moffitt and Larry Wu, of the Summer Research Workshop of the Institute for Research on Poverty, Madison, Wisconsin, June 2002.

*Peter Ireland's* paper, "Implementing the Friedman Rule," was accepted for publication in the *Review of Economic Dynamics*. He also  
*Continued, p.5*

*Faculty News... from p.4*

presented his paper, "The Real Balance Effect," at seminars at Emory University (where, since most of the endowment is in Coca-Cola stock, no Pepsi drinking is allowed!), the Federal Reserve Board, and the University of Mississippi.

*István Kónya* had two exciting happenings this year. The first, and most important, was that his daughter Timea, who had just turned one, started to walk toward the end of June. The second was that he moved to Boston and joined the faculty in the Department of Economics at Boston College. Adjusting to all this, István presented "Modeling Cultural Barriers in International Trade" at the North American Summer Meeting of the Econometric Society, June 2002. He was a discussant at the Mid-West International Economics Group 2002 Spring Meeting and also at the NEUDC 2001 October Meeting. István made the following presentations: "Optimal Immigration, Assimilation and Trade," at Boston University in October and at the Central European University, Budapest, in December 2001. He participated in two BC brown-bag seminars, presenting "Endogenous Mobility, Human Capital and Trade," in November 2001, and "A Dynamic Model of Cultural Assimilation," in March 2002.

*Marvin Kraus's* paper "The Commuter's Time-of-Use Decision and Optimal Pricing and Service in Urban Mass Transit," coauthored by BC PhD Yuichiro Yoshida, appeared in the January 2002 issue of the *Journal of Urban Economics*. Kluwer's forthcoming *Handbook of Transportation Science* will have a chapter, "Transport Economics," by Marvin and Richard Arnott. Marvin attended the ASSA meetings in Atlanta, where he served as a discussant in an AEA session on "Transportation Policies."

*Frank McLaughlin* and his wife Clare flew from Boston's Logan Airport on June 17 to spend a

month in New Zealand, visiting their daughter Maureen and her family. Maureen is spending the year in Wellington as an Ian Axford Fellow working on higher education policy for New Zealand. She is on leave from her position as Deputy Assistant Secretary for Post-Secondary Education in the U.S. Department of Education. Maureen is a 1977 Boston College *summa cum laude* graduate in Economics.

*Joe Quinn* is the epitome of one who thrives with the blood of economics rushing through his veins, or does he want us to forget that he is Boston College's Dean of A&S? Joe continues to publish: "Social Security Reform: Options for the Future," *Journal of Applied Gerontology*, June 2002, pp. 257-272; "Retirement Trends and Patterns among Older American Workers," in *Policies for an Aging Society*, Stuart H. Altman and David Shactman, editors, Johns Hopkins University Press, 2002; "Living Longer, Living Better: The Policy Challenges of an Aging Workforce," with Gary Burtless, *The Public Policy and Aging Report*, Spring 2001; "Retirement Trends and Policies to Encourage Work among Older Americans," with Gary Burtless, in *Ensuring Health and Income Security for an Aging Workforce*, Peter Budetti, Richard Burkhauser, Janice Gregory and Allan Hunt, editors, Kalamazoo: The W.E. Upjohn Institute for Employment Research, 2001.

"Social Security Reform: Is Privatization the Answer?" was the title of Joe's lecture for the University of North Carolina's Institute on Aging's Distinguished Lecture Series on March 4, 2002. He also served as a member of the selection panel for the TIAA-CREF Paul A. Samuelson Award for 2002 and was elected a member of the Board of Directors of the National Academy of Social Insurance.

*Fabio Schiantarelli's* article "Fiscal Policy, Profits and Investment," coauthored with BC PhD Silvia Ardagna (Wellesley), Alberto Alesina and Roberto Perotti appeared in the June *American Economic Review*.

## UNDERGRADUATE MILESTONES

Bob Murphy has once again led the Senior Honors Thesis Program to a successful conclusion, as you will see from the interesting thesis topics chosen and researched by the students. We'd like to present this year's students, thesis titles, and advisors: *Claire Anderson*, "The Effect of Religion on Saving Habits," Don Cox; *Brett Bannon*, "Does Political Power and Wealth Determine The Distribution of Pollution?" Bob Murphy; *Michael Barry*, "Economic Analysis of Pension Provisions in the Tax Act of 2001," Alicia Munnell; *Sean Barrett*, "Retirement Age Implications of the Shift from Defined Benefit to Defined Contribution Pension Plans," Alicia Munnell; *Tony Beirne*, "The Effect of Attitudes Toward Thinness on Economic Success or Failure," Doug Marcouiller; *Ben Biddle*, "Competition in MERCOSUR," Doug Marcouiller; *Matt Calner*, "Should the NASDAQ Switch from an Implicit Cost Structure to an Explicit Cost Structure?" Richard McGowan; *Kevin Castelo*, "Explaining the Failure of Deregulation in California's Energy Market," Frank Gollop; *Nikolay Dakov*, "An Analysis of the Microbrewery Market," Richard McGowan; *Shannon Finnegan*, "The Economic Effects of Advertising of Mental Health Prescription Drugs," Harold Petersen; *Don Giuseppi*, "Corporate Consolidation in the Financial Services Industry," Richard McGowan; *Michelle Kozlov*, "What is the Impact of Intellectual Property Legislation on Invention? Frank Gollop; *Brian Langan*, "A Rational Look at Excise Taxes and Advertising in the Cigarette Industry," Richard McGowan; *Thuy Le*, "Educational and Economic Attainment of East Asian Americans," Peter Gottschalk and Don Cox; *Katherine McGinnes*, "The Development of Ireland," Fabio Ghironi; *Heather Milkiewicz*, "The Effects of European Monetary Union on Foreign Direct Investment in the European Union," Bob Murphy; *Talene Najarian*, "The Transition to Capitalism in Armenia," Harold Petersen; *Dan Portnov*, "A

Cost-Benefit Analysis of Casino Gambling," Richard McGowan; *James Rice*, "Explaining the Rapid Growth of the Asian Tigers—Productivity Growth versus Capital Investment," Jim Anderson; and *Chitrawan Srisanan*, "Intellectual Property Rights and Externalities from Imitation," Bob Murphy. Many of this year's honors students have decided how they'll be spending their time next year. Claire Anderson will begin her job search in the fall, after spending the summer working for a national park. Still looking, also, are Ben Biddle and Dan Portnov. Brett Bannon has accepted a two-year teaching position in an inner city high school in New York City, while studying for a Masters in Education. Michelle Kozlov will be attending BC Law, while Kate McGinness heads off to UConn Law School. Chitrawan Srisanan will be studying in the Master's program at NYU. Heather Milkiewicz will be joining the Brookings Institution. Quite a few have accepted positions in the corporate world: Kevin Castelo and Brian Langan, Charles River Associates, and Nik Davov, tech consulting for TriTek; Sean Barrett, SEI Investments, Philadelphia; Mike Barry, Fidelity; Tony Beirne, underwriting for Liberty Mutual Insurance; Mike Calner and Talene Najarian joining Goldman, Sachs in the equities division and commodities operations, respectively. Shannon Finnegan has accepted a position with Watson Worldwide, while Don Guisseppi will enter corporate finance for UBS Warburg. Going into banking will be Thuy Le to FleetBoston and Jay Rice to Needham & Co. as an investment banking analyst.



is a publication of the Boston College  
Department of Economics, Carney Hall,  
Boston College, Chestnut Hill, MA 02467-  
3806 USA. You may reach the department by  
telephone at +1-617-552-3670, or by telefax at +1-617-552-  
2308, or by electronic mail at econ@econ.bc.edu.

*Edited by Kit Baum and Mary Foley*  
*Produced with Adobe PageMaker 7.0, GraphicConverter 4.4,*  
*and Nikon Coolpix 800 on Apple Computer's Macintosh G3*  
*and PowerBook G4 systems in a Windows-free environment.*  
*Think Different!*

## Cheney Fund / Omicron Delta Epsilon

Last fall the Cheney Fund awarded scholarships to Mario Fernandez, Heather Milkiewicz, Michael Papamichael, and Kari Siviski, all students in the College of Arts and Sciences. We are proud of our students' accomplishments and are pleased to be able to help them financially.

Mario was the first BC student to win a scholarship for the American Economic Association's Summer Minority Program; he spent eight weeks last summer taking courses to prepare for graduate work in economics. In addition to his work in development economics, he completed a minor in math. During his time at BC, he lived on the Spanish Romance Language floor where he helped non-native speakers and shared his Colombian culture with others. Mario graduated in December 2001.

Heather, an economics major and international studies minor who graduated cum laude and with honors in economics, wrote her honors thesis on foreign direct investment in the European Union under the direction of Professor Bob Murphy. She was the codirector of women's issues for UGBC and participated in the Appalachia and 4-Boston volunteer programs. Heather was a member of the Omicron Delta Epsilon and Gold Key honor societies and served as coordinator of peer advising for ODE. She is working as a research assistant at the Brookings Institution for a year prior to doing graduate work in economics.

Michael, also a member of ODE and Gold Key, graduated magna cum laude. He combined his interest in economics with a minor in philosophy and as many finance courses as he could fit in his schedule. The finance work will be especially useful in his new position in a brokerage firm. Before joining the firm, however, he is indulging one of his nonacademic interests (sports is another) by spending some time traveling.

*Continued, next column*

## Grad Students Win Awards

The Donald J. White Teaching Excellence Awards enable the department to recognize the outstanding efforts of two of our graduate students each year. *Huanwei Zhao* achieved first place among the strong slate of contestants vying for the teaching fellow award, and *Andrew Samuel* captured the prize for best teaching assistant. Both Huanwei and Andrew excelled in a field of formidable challengers and received their awards at the University's annual ceremony, named for the esteemed former Dean of the Graduate School of Arts and Sciences. Matching last year's success in winning Graduate School of Arts and Sciences Dissertation Fellowships, four of our Ph.D. candidates landed in the winner's circle. *Petronilla Nicoletti*, *Kameliia Petrova*, *Anh Vu*, and *Francesco Zanetti* will all be freed from one semester of departmental duties to concentrate on working on their dissertations. Past experience reminds us that beneficial use of this time gives our candidates a chance to make giant strides on their writing and research. Sharing honors as winners of the H. Michael Mann Dissertation Fellowship award are *Boryana Dimitrova*, *Elaine Fleming*, *Petia Petrova*, and *Rasim Ozcan*. *Kolver Hernandez-Arreortua* has been chosen as the inaugural recipient of the Paula J. and Daniel J. Greeley '76 Fund. In this capacity, Kolver will spend the summer as a research assistant, working with Professor Fabio Ghironi.

---

Kari won numerous academic honors, including membership in ODE, being chosen a Dean's Scholar in her junior year, and graduating summa cum laude. A sports and travel fan like Michael, she still managed to find time to work at local soup kitchens and animal shelters. Kari will be working as an underwriter in the personal insurance division of a Boston insurance company while she decides whether to pursue graduate studies in economics or business.

## ***Murphy Leads BC's New International Studies Program***



Prof. Bob Murphy dons yet another hat as he takes over as director of the International Studies Program for a three-year term, beginning this summer. Along with his regular professorial duties, Bob has performed remarkably as Senior Honors Thesis

Director for several years. In his new position, he succeeds David Deese of the Department of Political Science. Although an interdisciplinary minor in International Studies has been a popular offering within the College of Arts and Sciences for some time, the College now offers a new interdisciplinary major in international studies, reflecting the increasingly global emphasis in many disciplines and students' interests. The new major is open to students in the Class of 2004 and subsequent classes, and is expected to accept about 20 students from each class.

The University Catalog offers the following description of the existing minor, which requires six courses: "The minor in International Studies is designed to prepare students to become aware and effective citizens in an increasingly interdependent international environment." The new major consists of three elements: the international studies core, a disciplinary base, and a full-year senior research project. The core requirements include an introductory course, a year of principles of economics, a comparative politics course, a theology offering on Ethics, Religion and International Politics, and two courses from a list of History, Culture and Society (HCS) offerings. The disciplinary base may be chosen from economics, political science, ethics and international social justice or global cultural studies offerings.

## ***Seminars Flourish***

Once again, the Department of Economics seminar series attracted a diverse and interesting group of speakers. This year's attention-getters included Elhanan Helpman, Harvard University; Frank Schorfheide, University of Pennsylvania; Kevin Lang, Boston University; Oved Yosha, Tel Aviv University; Chad Bown, Brandeis University; Yukihiro Kidokoro, University of Tokyo; Shakeeb Khan, University of Rochester; Taiji Furusawa, Boston University; Pierre-Philippe Combes, CEPR; Tomoya Mori, Kyoto University; Ashok Rai, Harvard University; and Jeff Smith, University of Maryland. Also presenting were: Tania Reif, Columbia University; Dan Silverman, University of Pennsylvania; Susanto Basu, University of Michigan; Silvana Tenreyro, Harvard University; Galina Hale, University of California, Berkeley; Matteo Iacoviello, London School of Economics; Pedro Dal Bo, UCLA; Joseph Zeira, Harvard University; Rohan Pitchford, Australian National University; Andrew Lo, MIT; Robert Moffitt, Johns Hopkins University; Henryk Kierzkowski, Graduate Institute of International Studies, Geneva; Patrick Puhani, MIT; Stefan Hoderlein, Mannheim University; Lena Edlund, Columbia University; and Marcus Berliant, Washington University.

The Macro Seminar Series also loomed large on the horizon with many interesting participants. Journeying from near and far were Andres Velasco, Harvard University; Paul McNelis, SJ, Georgetown University and Boston College Gasson Professor 2001-2002; Fabio Ghironi, Boston College; Chris Foote, Harvard University; Paolo Pesenti, Federal Reserve Bank of New York; Frank Smets, European Central Bank; Philip Strahan, Boston College; Blake LeBaron, Brandeis University; Erzo Luttmer, University of Chicago. Later came Mathias Hoffmann, University of Southampton, visiting Harvard; Steve Bond, Oxford & IFS, visiting Columbia; John Duffy, University of Pittsburgh;

*Continued, p.9*



## **BC Grad and Peace Corps Alum Seeks Public Policy Career**

*Joseph B. Dickman* (B.A. 1999) personifies success as the result of dedication and hard work. As a senior honors student in the Department of Economics, Joe wrote his senior honors thesis, "Britain & European Monetary Union: Assessing the Case for the U.K. Joining the Single Currency," under the supervision of Kit Baum. In Joe's own words he describes his work as fascinating and having helped him to decide to pursue a career in international development. His experience has unfolded worlds and cultures very different from those he had known and has given him the opportunity to appreciate different points of view from a different perspective. Joe has grown in his appreciation of the differences in cultures and has gained confidence in his ability to coexist with, and be effective with, a wide variety of people. He hopes to incorporate the knowledge he has gained through his commitment to serve and help others to benefit future studies and research. Joe's achievements have indeed been recognized: He applied to eight prestigious public policy programs and he was accepted by all. The eight institutions were: Harvard's Masters in Public Administration in International Development, Princeton's Woodrow Wilson School of Public and International Affairs, Johns Hopkins School of Advanced International Studies, Columbia's School of International and Public Affairs, the Fletcher School of Law and Diplomacy at Tufts University, the School of Foreign Service at Georgetown, and the Elliot School of International Affairs at George Washington University.

*Joe's story in his own words (slightly edited):*

"My passion for international affairs was definitely something that began during the BC years. Majoring in economics introduced me to various issues in global affairs and international economics. A junior year abroad at the London School of Economics furthered this interest and

*Continued, p.10*

**BC**  
**EC**

## **Alumni News Notes**

*Van Newby* (Ph.D. '94), who continues to be involved in his work as acting CEO of Alpine Media, wrote "The Effects of News on Exchange Rates When the Risk Premium Is Considered," which was published in *Applied Financial Economics*, Vol. 12, Issue 2, pages 147-53, 2002. *David Richardson* (Ph.D. '95) has left the Washington scene to join the faculty at the University of Georgia. We trust that it was her Ph.D. in economics that helped *Sr. Beth Anne Tercek* (Ph.D. '93), finance manager, successfully gain financing for an \$8,000,000 extended health care facility for her fellow members in the Sisters of Notre Dame of Ohio. It was nice to see *Selin Yalcindag* (Ph.D. '92) when she dropped by this spring with her beautiful daughter during a visit to Boston.

Current graduate student *Oleksandr Talavera's* paper with M.A. thesis advisor Prof. Stefan Lutz, "The Effects of FDI on Ukrainian Firms' Labor Productivity and Exports," appeared as Working Paper 14 in the Institute for Economic Research and Policy Consulting (IER) series.

We regret to report that Bruce Smith passed away this July. Bruce was a faculty colleague in 1981-1982 after completing his MIT Ph.D. He went on to an illustrious career, most recently serving as the Fred Hofheinz Regent's Professor at University of Texas-Austin, and advisor to several of the Federal Reserve Banks. Scholars of monetary economics are well aware of his publications. We will miss him.

---

*Seminars. from p.8*

Charles Carlstrom, Federal Reserve Bank of Cleveland; Pierpaolo Benigno, New York University; Robert Hussey, Georgetown University, and once again, our own Fabio Ghironi.

### **HOLDING THE BAG**

Not to be outdone by visitors, members of the faculty continued to hold their Brown Bag Seminar on Fridays. Presenting in the fall were Marvin Kraus, Richard Arnott, Arthur Lewbel, Istvan Konya, Fabio Schiantarelli, Hideo Konishi, and Peter Gottschalk. Spring presenters included Jim Anderson, alumnus Atreya "Chuck" Chakraborty, Ph.D. '92, now with The Brattle Group, and Ingela Alger. Holding bigger bags, Istvan, Hideo, and Peter presented once again in the spring.

gave me the desire to continue traveling and experiencing the wider world. I think deciding to study abroad was probably the single most important decision I made during college; I really discovered that my career interests lay in international affairs. Back at BC, I wrote my senior thesis analyzing Britain's involvement in the European Union, a topic that was the center of debate during my time in London. This allowed me to really dig into a prominent issue in international affairs and learn a lot about international economics, politics, integration and globalization. The thesis and other economics classes at BC were very successful in nurturing my interest in international affairs.

#### *On to the Peace Corps Bolivia*

I decided to join the Peace Corps with the idea that it would be an excellent experience base and launching pad for a career in international public service. Furthermore, the thought of using business and economics applications to try and encourage positive change at the grass roots level in a small community was invigorating. I was assigned to a small Bolivian town in the foothills of the Andes. I worked with a local micro-credit organization to teach groups of small family farmers various methods of financial management. My major achievement, however, was a side project involving the creation of a university-accredited computer education center in the town where I lived. The center was created with used computer donations from the U.S. Embassy to Bolivia and funding from the local government and a Peace Corps/USAID small projects grant. The center provides an education alternative in a specialized and rapidly growing IT industry for the traditionally agriculture-based region and will act to spur growth, modernize business and increase jobs.

I was really struck by the fact that, although mired in poverty, the Bolivian people maintain a vibrant, upbeat culture consisting of lots of dancing and fiestas. The people were generally warm and inviting, always willing to share

*Continued, next column*

what little they had. The experience was at once inspiring and humbling. It has led me to pursue a career in international development, continuing to work with issues of poverty in the developing world and bettering conditions through innovative projects.

#### *Future plans*

The Peace Corps experience, plus my international experiences at BC, translated into great success in applying to Masters programs in International Development. I chose Princeton because of their great academic reputation and strong alumni network in international affairs. I hope to take advantage of a middle year out program there by doing a yearlong internship in West Africa in between the first and second

---

*Faculty comings and goings.. from p.1*

module of graduate macroeconomic theory, and undergraduate macro theory in the current academic year.

### **Jushan Bai departs**

We also must report that Prof. Jushan Bai has decided to leave the Department and take a position in the Stern School at New York University. Jushan joined the department as an associate professor in 1998 and was promoted to professor in 1999. He has been a highly valued colleague, meeting considerable success in these few years with recent publications in *Econometrica*, *Journal of Econometrics*, *Journal of Applied Econometrics*, *Econometric Theory*, *Annals of Economics and Finance*, and *Journal of Statistical Planning and Inference*, and teaching graduate time series econometrics (with Serena Ng). We will miss Jushan, and wish him the best in his new position at NYU.

Separately, Prof. Tommaso Monacelli, who had been on leave for the last academic year, has decided not to return to Boston College. Tommaso has joined the faculty at Università Bocconi in Milan. Prof. Kristin Butcher, who was on leave for two years at the MacArthur Foundation, has taken a position at the Federal Reserve Bank of Chicago. We wish our former colleagues well in their new endeavors.

## A Hero from the Heights

He lived among us once. We could have passed him anywhere on campus or perhaps have seen him hurrying to one of his economics classes. His name was Welles Crowther, B.A. 1999, an economics/political science major. He was 24 years old, from Manhattan, NY, working at Sandler O'Neill & Partners LP. We have learned the facts from an article that was originally published June 10, 2002, on TheJournalNews.com, republished in the Boston College Chronicle and reprinted below in edited form:

It was a habit he picked up from his father and maintained until the last day of his life. Welles Crowther always carried a red bandanna in his back pocket. He had it with him during his years at Nyack High School, friends at Boston College noticed it and fellow volunteer firefighters at Empire Hook & Ladder in Upper Nyack teased him about it. The red bandanna was tucked in his pocket the morning of Sept. 11 when the 24-year-old equities trader set out for his office at Sandler O'Neill & Partners on the 104th floor of the World Trade Center. And it was the red bandanna that helped identify Crowther as the rescuer who saved countless people trapped on the top floors of the burning south tower that morning before losing his own life. A man, a bandanna tied around his face, stepped out of the swirling clouds of smoke and crushing debris high up in the burning tower and led groups of wounded to safety, survivors recall.

"He spoke with such authority," recalled Judy Wein, who encountered the man on the rubble-strewn 78th floor. "He was calm, he showed us where the stairs were, he found a fire extinguisher, he carried people down the stairs and then went back up to help more."

Alison Crowther suspected her son was at the center of the mystery as soon as she began hearing reports of survivors ushered to safety by a man in a red bandanna. "It made sense," she said. "All the pieces of the puzzle came together."

Welles, with his years of training as a volunteer firefighter, assumed the role of rescuer to help the injured and trapped reach safety following the terrorist attack on New York City, his family suspected. Survivors who encountered the man in the red bandanna that morning confirmed their hunch. After the first plane hit the north tower that morning, he called friends and left a message for his mother that he was going to evacuate. That should have given the strapping former lacrosse and hockey player enough time to reach safety, his parents reasoned. They didn't know his fate until his body was recovered in March. No sign of the bandanna was found.

Puzzled officials told the Crowthers that Welles was found on the ground in the south tower lobby, one of only two civilians in a staging area where the bodies of numerous firefighters and emergency workers were recovered. It is unclear how many trips up and down Crowther made or how many lives he saved that day before losing his own.

"People talk all kinds of talk," said Dave Low, a Vietnam War veteran who has known the Crowthers for years. "But when the moment of truth comes, you either do it or you don't do it. There was never any doubt in my mind that when the moment of truth came, Welles would do what needed to be done."

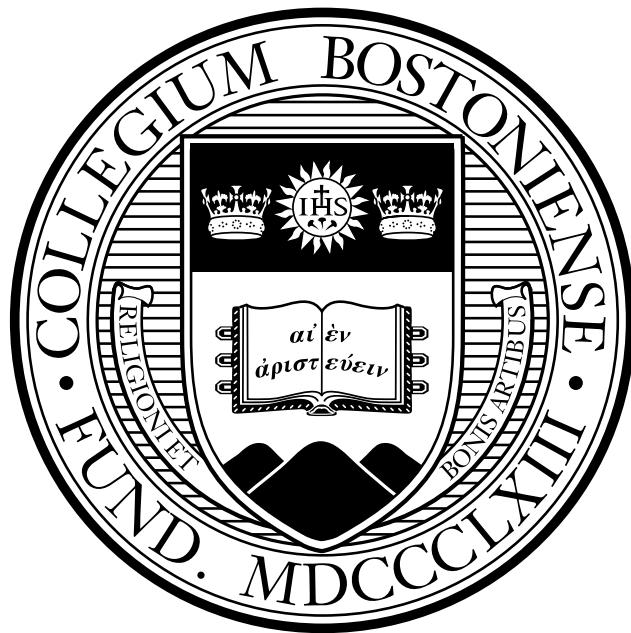
## Stork Market Beats Dow Jones, S&P and NASDAQ

**Basma Bekdache** (Ph.D. '94) and her husband Fadi Mourad welcomed a second son, Rami, to their family in early December. He joins his brother Jad and it was reported that all were doing well. **Kristin Butcher** and her husband, Scott Gordon, were very happy with the January 29 arrival in Chicago of their first child, a daughter, Yannik Eva Gordon. Former students **Asli Gunasar** and **Zekeriya Eser** greeted their first child, a son Can, born in Turkey on December 24, 2001. **Hideo Konishi** and his wife Mary Beth joyfully welcomed Matthew Kenji, all 9.34 lbs. of him, on February 22, 2002. **Van Newby** (Ph.D. '94) and his wife Beth's lives were brightened by the arrival of their first daughter, Emma, in April. Emma is indeed a delight to them and her three older brothers. **Mary Joyce** (Ph.D. '92) and **P.J. Nigro** (Ph.D. '92) found that good things come in threes as their third son, Christopher Peter, joined the family on December 17, 2001. Their only daughter, Elizabeth, longing for a sister, thought that the doctor had made a mistake and that God could change his mind. **Samanta Padalino** (M.A. '97) ecstatically e-mailed that she and her husband had finally found perfection in the form of their newborn son, Francesco Pietro Volpin, born on October 17, 2001.

---

*BC Alum in the Peace Corps.. from p. 10*

years of study. The degree will enable me to pursue a career working for government, non-profit and multilateral organizations that work with poor, under-served populations throughout the developing world. The field is perfect for me because it provides the professional challenge of addressing some very pressing problems with the opportunity to continue traveling to fascinating, exotic places all over the world."



**Boston College**  
**Department of Economics**  
**Chestnut Hill, MA 02467-3806**

**Non-profit Organization**  
**U.S. Postage**  
**PAID**  
**Permit No. 55294**  
**Boston, MA**