

CORE Newsletter



Edito by François Maniquet

New CORE Research Director

This fourth newsletter is also the first one of the new academic year 2011-2012. As all of you know, the change in academic year at CORE means that several long term visitors leave, and newcomers arrive. On behalf of the whole CORE community, I wish the best to all those who begin a new life elsewhere, especially our former PhD students and post-doc fellows, and I welcome those who start settling in for a long period here.

Among those who leave (or, at least, who stop being full time at CORE), I have to emphasize our former research director, Erik Schokkaert, who completed his two year appointment on August 31st. During his term, Erik has set a lot of projects and activities going. *First*, he launched this newsletter, which, judging from the reactions of our readers, is quite a success.

Second, he strengthened the relationships between CORE and several institutions, especially (but not only) in Belgium. That is extremely important these days. For instance, in spite of the seeming disintegration of the country, some important research funding remains allocated at the federal level to well-established networks of researchers. Such funds, especially the Interuniversity Attraction Pole funds (of which the seventh phase has been launched this summer), are

crucial to support scientific activities at CORE.

Third, Erik has organized or co-organized a number of scientific events that have highly contributed to keeping CORE an attractive place for the presentation, exchange and development of ideas in our several disciplines.

The number of conferences of all kinds at CORE has reached a peak these last two years. Of course, Erik was “helped” by the otherwise unfortunate circumstance that too many of our colleagues reached retirement age (mandatory retirement being an old institution that still exists in Belgium). To be honest, I sometimes fear that reading the first three issues of this newsletter might have led you to think that CORE has become a home for retirees. I would like to reassure you. First, all the colleagues we have celebrated in the last two years remain incredibly active. Second, the younger generation that follows (of which I consider myself a spokesman today) still feels dedicated to making CORE a place of scientific excellence in a friendly environment. This is the objective we plan to follow and the newsletter intends to give you the details of the events, meetings, projects and challenges that pave the way towards its accomplishment.

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Environmental economics at CORE

A 4-hand composition in applied theory

by *Thierry Bréchet & Henry Tulkens*

Overture (Sotto voce)

Thierry – Please, Henry, explain me when, why and how did environmental economics enter CORE?

Henry - The topic was mentioned for the very first time during a conversation I had with Jacques Drèze in the fall of 1971 : the motivation came from Rector Massaux who had negotiated at the Belgian Ministry of Scientific Policy a participation of UCL in a major 4 year interdisciplinary « national research program » on ocean and river water pollution problems and policies, and I was assigned (with Guy de Ghellinck and François de Donnea) to deal with the economic costs and benefits of it. The conversation with Jacques was on whether his recent path breaking contribution to the theory of public goods (which soon became known as the « MDP process ») could inspire the fulfillment of the assignment. The positive answer that came out revealed itself to be the source of an astonishingly long lasting flow of what I like to call “applied theoretical work”.

Theme (Crescendo)

Thierry – What is “applied theoretical work”?

Henry – “Theoretical”, because the program (soon followed by a grant from the Ford Foundation in New York) combined public economics, planning theory, game theory and optimization. It led to contributions by Claude d’Aspremont and Yves Smeers (whom the program actually brought to CORE), by visitors such as Ted Bergstrom, Bob Rosenthal, Louis-André Gérard-Varet, John Roberts, Claude Henry, Shmuel Zamir and, at a later stage and for many years, Parkash Chander, as well as doctoral student Françoise Schoumaker.

On the “applied” side, after the completion of the water pollution case in the early 80s, the field was revived in the late 80s by applying MDP to acid rains, and, from 1994 on, by applying core theory to the international negotiations on climate change. Successive new Belgian governmental programs dubbed respectively CLIMNEG 1, 2, 3 and CLIMBEL supported these developments until 2004, as well as Vincent van Steenberghe’s doctoral thesis. Applied theory was given a further dimension by developing with Johan Eyckmans in 1998-99 a worldwide integrated assessment numerical model of the economy and the climate, named CWS, destined primarily to testing game theoretical properties of stability of international agreements such as, for instance, the Kyoto Protocol.

Variations (Accelerando)

At that moment, another rectoral initiative (this time, by rector Marcel Crochet) permitted to establish at CORE in 2001 the Lhoist Berghmans* Chair «Entreprise, Economie, Environnement».

Thierry – I see what you have in mind...

Henry – Well, to be precise, our exceptionally lucky (and lucid) recruitment of a holder for the Chair boosted for 10 more years the activities, and transformed their leadership into a harmonious 4-hand composition, with yourself at the “primo” part!

Thierry – Actually, in comparison with the projects you just mentioned, the Chair had three prominent features: it was a teaching and research Chair, and it lasted for 9 years. Some figures can help understand the achievement of the Chair. The Chair spread both teaching and research activities in 7 departments inside the University. More than one thousand master students followed the courses proposed by the Chair, and 81 master’s theses in environmental economics were conducted. About research, the Chair provided support for 24 young researchers at CORE and produced 5 doctoral theses: Ingmar Schumacher, Agustin Perez-Barahona, Maria Eugenia Sanin, Georgia Oggioni, and Carlotta Balestra. 55 papers were published in academic journals. Even more important, more than 40 researchers working in the field of environmental economics visited CORE during that period, from 15 countries.

Henry – And what about the research topics?

Thierry – The Chair made the scope of researches in environmental economics wider at CORE. Among many topics covered, in addition to climate change negotiations, one may stress overlapping generations models with natural resources, demography, the selection of “best available techniques” and environmental innovation, vintage capital models with pollution, the regulation of noise pollution and, most recently, the introduction of uncertainty in climate economics. While reviewing all that, I realize that CORE was the ideal host for achieving the Chair’s ambitious objectives.

Finale (Unisono)

We wish to thank CORE for two things: *first*, for its existence, without which nothing of the above would ever have been possible. *Second*, for offering to the development of environmental economics the inspiring framework of endeavoring to meet the once formulated “challenge of formal analysis of decision problems in economics, resting on a specification of ends and means firmly rooted in economic theory, incorporating a probabilistic treatment of econometric information, and making use of the possibilities offered by mathematical programming techniques to compute optimal policies”. (J.D. again *Econometrica*, 1972, p. 2). After visiting the Chair at CORE in 2005, Professor Denny Ellerman from MIT wrote: « I think this will do a lot to maintain CORE’s already high reputation and visibility ». This gave us the feeling that we were on the right track. We hope it will be pursued.



Th. Bréchet



H. Tulkens

* The Lhoist Group is the world leader in the lime industry. It is a family-owned company located at Limelette in Belgium, not far from Louvain-la-Neuve. A full report of the Chair’s activities 2001-2011 is available at CORE secretariate.

Forthcoming Scientific Events...

Conference in Honor of Etienne Loute

Brussels, September 6, 2011



To celebrate Etienne Loute's 65th birthday and to thank him for his numerous and varied contributions to the Facultés universitaires Saint Louis and CORE, a meeting on "Very

Large Scale Optimization" will be held at FUSL on the afternoon of Tuesday, September 6th 2011. The speakers will be Markku Kallio (Aalto University, Finland), Robert Fourer (Northwestern University, USA), Erling Andersen (Mosek) and Yurii Nesterov (CORE, UCL). The conference will be followed by a dinner in his honor.

More information are available on the CORE website.

ESOB Meeting

Brussels, November 4-5, 2011



ESOB stands for European Seminar on Bayesian Econometrics. This series of workshops was launched in 2010 with the first meeting in Rotterdam. The ESOB meetings are intended as a discussion forum for new and recent research. Their aim is to bring together researchers and professionals interested in the application of Bayesian inference in economics in relatively small annual workshops that usually take two days. Empirical applications of Bayesian econometrics deal with issues such as: risk

management in international and financial markets, the education effect on income and individual entrepreneurship, measurement of policy effectiveness in the macro and monetary economy and individual decision making in marketing.

The second ESOB meeting will be held in Brussels (November 4 and 5, 2011), co-organized by CORE and the National Bank of Belgium, on the wide theme "The Interface of Macroeconomics, Finance and Forecasting".



EuroConference Series in Quantitative Economics and Econometrics

Firenze, December 16-17, 2011



EC-squared is a series of annual international conferences on research in quantitative economics and econometrics, launched in 1990. The acronym (EC)² stands for European Conferences of the Econom[etr]ics Community. Its main aim is to maintain and extend an adequate forum for both senior and junior European researchers in quantitative economics and econometrics to discuss the progress and results of their research. The conferences are of relatively small scale (less than 100 participants) and are very intensive. Each year a different topic is selected as the major theme of the conference. A few leading quantitative economists or econometricians are invited as keynote speakers; the other speakers are selected

on the basis of submitted papers. Between sessions of the plenary programme there are very lively poster sessions, but no parallel sessions.

In 2011, the conference is on the Econometrics of Policy Analysis after the Crises and Beyond, held in the European University Institute in Florence, Italy (December 16 and 17).

CORE's President, Luc Bauwens, is the EC² coordinator since 2001. He takes care of ensuring the continuity of the series by finding a location, local organizer, theme and program chair.

Forthcoming Scientific Events

Supply Chain

Brussels, October 2011



The next Workshop on Logistics and Supply Chain Management organized by the Operations Research group of CORE and the Center for Supply Chain Management of the Louvain School of Management will be held at the end of October. This workshop has now been in existence for 6 years and has the purpose to present ongoing research from PhD students and post docs in logistics and supply chain management. This one day event is organized at FUSL in Brussels in order to be easily reachable for one

day for researchers coming from abroad. Regular participants come from Belgium, The Netherlands, France, Sweden and Germany.

The objective is to present to fellow researchers the state of the art and current problems being tackled. As the audience is formed by other researchers and professors, the content is mostly composed of presentations and high calibre but relaxed discussions.

Past Scientific Events...

Workshop in Honor of Werner Hildenbrand

Louvain-la-Neuve, May 20-21, 2011



E. Dierker, W. Hildenbrand & R. Guesnerie

Werner Hildenbrand was a Professor at University of Louvain and CORE member from 1968 to 1976. His

main contributions cover general equilibrium theory (GET) and aggregation of demand. Among his publications, two major books illustrate the above mentioned topics: "*Core and equilibria of a large economy*" (Princeton University Press, 1974) and "*Market demand: Theory and empirical evidence*" (Princeton University Press, 1994). The workshop gathered 30 participants and consisted of two round table discussions. The first round table discussion concerned Aggregation. It was introduced successively by Jean-Michel Grandmont and Alan Kirman. Jean-Michel's presentation "*Distributions of individual characteristics and macroeconomic*

outcomes" was an overview of existing results on aggregation and a catalogue of open problems. Alan's presentation – that could have been entitled "*Individual and collective rationality*" – was a questioning of what "sound micro-foundations" means, supported by a number of devastating quotations concerning the present state of microeconomics. It was an occasion for him to repeat his plea for a focus on agents' interactions. The second round table concerned General Equilibrium. It was introduced by Jacques Drèze with a presentation entitled "*General equilibrium, incomplete markets and macroeconomics*" in which he argued that the framework best suited for an integrated treatment of micro- and macro-economics was GET extended to incomplete markets, money, price rigidities and quantity constraints, and overlapping generations. The two round tables discussion were the occasion of heated debates on the relevance of the decision theoretic foundations of the general equilibrium model and on its appropriateness. There was at least an agreement: economic theory is in a state of crisis. This observation is not recent though the economic crisis has revealed its acuteness.

Past Scientific Events...

IMMAQ lectures: Andrew Jones on «Equality of Opportunity in Health»

Louvain-la-Neuve, May 11, 2011

Workshop on «Equity in Health»

Louvain-la-Neuve, May 12-13, 2011

Internal CORE-Workshop on «Health Economics»

Louvain-la-Neuve, May 17, 2011

In the first weeks of May there has been a lot of scientific activity related to health economic issues. On May 11, Andrew Jones (University of York) has given the IMMAQ Lecture on “Equality of Opportunity in health”.

Related topics were covered on Thursday, May 12 and Friday, May 13 at the workshop on “Equity in Health” within the PAI-IUAP Program. Some 40 participants discussed 14 papers covering both theoretical and empirical work. The speakers included Marc Fleurbaey (CERSES & CORE), Pierre-Yves Geoffard (PSE), Marie-Louise Leroux (CORE), Maarten Lindeboom (Tinbergen Institute), Tom McGuire (Harvard), Owen O’Donnell (University of Macedonia), Pierre Pestieau (CORE), Pedro Rosa Dias

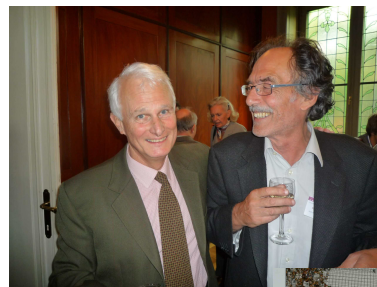
(York), Alain Trannoy (Marseille), Sandy Tubeuf (Leeds), Giacomo Valletta (Maastricht), Dirk Van de Gaer (SHERPPA, Gent), Eddy van Doorslaer (Erasmus University), and Tom Van Ourti (Erasmus University Rotterdam).

On May 17 there was an internal CORE-workshop bringing together CORE-members working on health from very different perspectives: economic theory (Pierre Pestieau, Chiara Canta, Marie-Louise Leroux, Anna Mauleon, Fred Schroyen, Aitor Calo-Blanco, Jacques Drèze, Erik Schokkaert), economic geography (Isabelle Thomas, Claire Dujardin) and operations research (Philippe Chevalier, Jean-Christophe van den Schrieck).

Conference in Honor of Claude d’Aspremont and Jean-François Mertens

Louvain-la-Neuve, June 23-25, 2011

On June 23-25, there has been a conference in honor of Claude d’Aspremont and Jean-François Mertens, who both reach the age of mandatory retirement. Many friends, colleagues, co-authors and students attended the conference. Twenty nine of them presented a paper. Covered topics ranged from industrial organisation, welfare economics to game theory. On Thursday night, there was a wonderful dinner at Bibliothèque Solvay, a beautiful eclectic building of the early XXth century located in downtown Brussels. During dinner, stimulated by Pradeep Dubey, many participants shared souvenirs about the celebrated friends, ranging from scaring car ride experience with Jean-François to moving meetings with Claude’s dog. Best wishes to the new retirees.



Claude d’Aspremont and Frans Spinnewyn



Elon Kohlberg, Jean-François Mertens and Yair Taumann

Past Scientific Events...

2011 ECORE Summer School on «Market Failure and Market Design»

Louvain-la-Neuve, May 23-26, 2011

(Reported by PhD students)



V. Crawford, D. Bernheim & P. Pathak

The 2011 ECORE Summer School on Market Failure and Market Design was held in Louvain-la-Neuve last May. More than 130 students and professors from many different universities all over the world had the opportunity to attend nine lectures given by three remarkable speakers: Douglas Bernheim (Stanford University), Vincent Crawford (University of Oxford), and Parag Pathak (Massachusetts Institute of Technology). We decided to run a survey to collect the impressions of the participants, with a particular focus on PhD-students.

“It was a great job!” This quote probably best summarizes the comments we received. The three keynote speakers were appreciated not only for their “outstanding, interesting and difficult” lectures on their latest research in behavioral welfare economics, strategic thinking, and matching, but also because of their ability to “make long presentation feel short”, mixing highly formal results with jokes and concrete examples. The audience perceived the keynote speakers as “very accessible and always ready to talk with you and answer questions”. Many of the young presenters highly valued the comments they received during their presentations, and said that obtaining feedback from the keynote speakers and faculty members of CORE and ECARES was one of their priorities. One of the students noted: “I got an invaluable comment for my own paper – somewhat unexpectedly – on which I'm currently still working.”

Attending the keynote lectures by the “very well known professors”, and the afternoon sessions where PhD students could present their own work were mentioned as the two main reasons for attending the summer school. Students appreciated that they could meet other students and professors, and find out about the research of their peers. Many of the respondents noted that they were impressed by the high quality of the PhD presentations and the selection of the papers; as one of them put it: “I found that all the presenters were at a high level, and the topics of their research were all very interesting, diverse, and inspiring.” This view was shared both by the junior participants and the keynote speakers. Sharing his impressions from the summer school, Vincent Crawford said: “I thought the afternoon sessions - both the presentations and the interactions with the audience - were of very high quality, at the level of an Econometric Society summer meeting. I heard several exceptional papers, and enjoyed the chance to meet many young scholars I had not met before and hear first-hand what they were working on”. Douglas Bernheim said he found the ECORE summer school “terrific”. He was impressed by the caliber of the young scholars who attended, adding, “Their presentations were on the whole excellent, and they offered many thoughtful and insightful comments on all of the presentations. I would call it a resounding (and thoroughly enjoyable) success.”

Overall, the participants perceived the atmosphere as “relaxed, welcoming, inspiring, and professional”. Many people stressed the very good organization of the event. For this, we have to thank once again the organizing team from ECARES and CORE. Some respondents suggested making the afternoon sessions shorter, for example by spreading the length of the Summer School over one week, thus reducing the number of presentations per day and leaving more room for discussion at the end of each one. Some proposed to add a discussant for each paper. These ideas might be difficult to implement, but we believe it is important to take them into account when organizing the next edition.

To sum up, the responses to the survey indicate that the summer school was a great success. All stakeholders were very satisfied with the event, both in terms of the intellectual and scientific content and the possibilities to improve their professional network during the many social events.



Past Scientific Events

Interdisciplinary Workshop on «Econometric and Statistical Modelling of Multivariate Time Series»

Louvain-la-Neuve, May 25-27, 2011



Robert Engle

More than one hundred econometricians attended this 3-days workshop on multivariate time series organized in the frame of an econometric research program (ARC) funded by UCL. The most recent research results have been presented during two poster sessions and fourteen talks by international speakers.

As it has been the case in the whole history of econometrics, this workshop showed that modern research in the field is still challenged by the appearance of worldwide financial crises and their consequences. Many contributions focussed on related questions such as structural changes, extreme values, contagion or complex dependency in large scale economic systems.

In his keynote lecture entitled “Volatility, Correlation and Tails for Systemic Risk Measurement”, Robert Engle (New York University Stern School of Business and co-winner of the 2003 Nobel price in economics) was also concerned by this challenge. Systemic risk happens when the failure of a financial firm causes serious failure to the rest of the real economy. Engle proposed a modeling strategy to identify systemically risky firms and to measure how risky they are for the entire economic system. He underlined the fact that standard tools used by the supervisory, such as the stress tests, rather suppose that a firm can be weakened because of a crisis (and therefore is requested to raise capital, for instance). However the crisis can be an endogenous event since the weakness of some firms can cause a global crisis as well.

To circumvent this causality problem, Engle suggested to think systemic risk of a financial institution as its contribution to the total capital shortfall of the financial system that can be expected in a future crisis. He proposed a systemic risk measure (SRISK) that captures the expected capital shortage of a firm given its degree of leverage and Marginal Expected Shortfall (MES). MES is the expected loss an equity investor in a financial firm would experience if the overall market declined substantially. To construct MES predictions, he introduced a dynamic model for the market and firm returns. This bivariate process is characterized by time varying volatility and correlation, which in turn are estimated by more familiar models (such as TARCH or DCC). The innovation distribution of the system is left unspecified and therefore flexible methods for inference can be constructed, allowing for potential tail dependence in the shocks. The model is extrapolated to estimate the equity losses of a firm in a future crisis and consequently the capital shortage that would be experienced depending on the initial leverage. The empirical application on a set of top US financial firms finds that the methodology provides useful rankings of systemically risky firms at various stages of the financial crisis. One year and a half before the Lehman bankruptcy, eight companies out of the SRISK top ten turned out to be troubled institutions. Results also highlight the deterioration of the capitalization of the financial system starting from January 2007 and that as of July 2010 the financial system does not appear fully recovered.

You can find more informations on this event from the web:

- The permanent [link](#) to the full program of the workshop.
- The [video](#) of Robert Engle’s talk.
- His research [paper](#), joint with Christian T. Brownlees.



New Post-doc fellows

Volker Britz studied Economics at Maastricht University, where he has prepared his Ph.D. dissertation under the supervision of Jean-Jacques Herings and Arkadi Predtetchinski. He will defend his dissertation entitled "Bargaining Power in Strategic Games and Economic Decision-Making" in December 2011 and begin his post-doctoral fellowship at CORE in January 2012. The focus of Volker's dissertation is on non-cooperative bargaining games, and it also deals with an application of bargaining insights to general equilibrium theory with incomplete financial markets. Next to his strong research interest in non-cooperative game theory and general equilibrium, he has also developed some interest in issues of industrial and regulatory economics through his teaching experience in that field.



Volker Britz

1/1/2012-31/8/2014

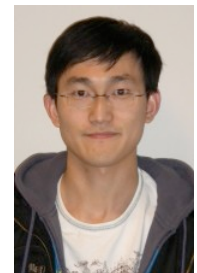
Marion Leturcq is finishing her PhD at the Paris School of Economics and the CREST, under the direction of Pierre-Yves Geoffard. Her general research interest is Applied Microeconomics in public and family economics. She has been working on how the decision to marry and to contract a civil union (pacs in France) is related to economic choices. She especially focused on the impact of taxation and credit constraints on marital choices. She has been a research fellow at PSE and CREST since 2007, after completing her studies at the ENSAE, major Econometrics. At CORE, she will work with François Maniquet on Poverty, Resource Equality, and Social Policies. She will investigate the empirical application of the research project that includes a part on multi-dimensional poverty measurement and a part on optimal taxation.



Marion Leturcq

1/10/2011-30/9/2013

Liang LU received his Ph.D. degree from the Department of Industrial Engineering & Logistics Management (IELM), the Hong Kong University of Science and Technology (HKUST) in Jan 2011, under the supervision of Prof. Xiangtong QI. Prior to Hong Kong, he studied in Zhejiang University, China for six years, earning a Master degree in Computer Science in 2007 and a Bachelor degree in Mathematics in 2005. Now, he works in IELM, HKUST as a Research Associate, participating in an industrial project for a logistics company. His main duty is to develop fleeting models, algorithms, and IT engines. His doctoral study is focused on characterizing joint pricing and production planning strategies for service firms. He is also interested in applied game theory and operations models under decentralized setting.



Liang Lu

1/9/2011-31/8/2013

Our long-term visitor 2011-12



Hande Yaman Paternotte

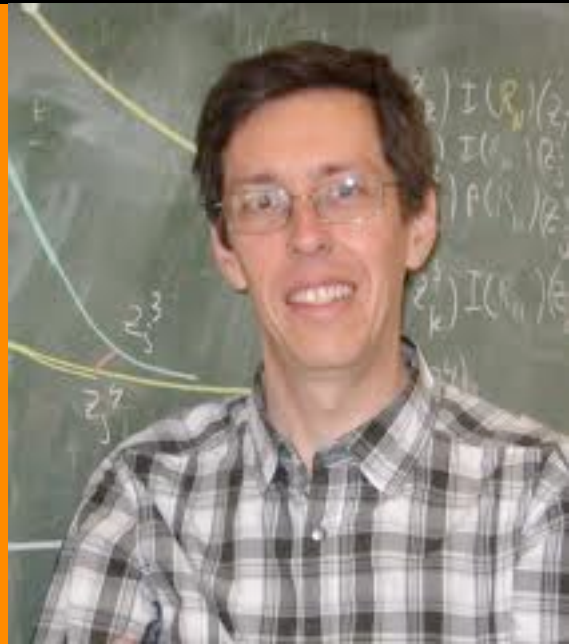
Academic year 2011-12

Hande Yaman received B.S. and M.S. degrees in Industrial Engineering from Bilkent University in 1997 and 1999, and a Ph.D. degree in Operations Research from Universite Libre de Bruxelles in 2002. She joined the Department of Industrial Engineering at Bilkent University in 2003. Her research interests are in polyhedral approaches for integer programming with applications in production planning, logistics, and network design. Her publications have appeared in journals such as Operations Research Letters, Mathematical Programming, Transportation Research B, and SIAM Journal on Discrete Mathematics. She is the author of the book "Concentrator Location in Telecommunications Networks". She has participated in several bilateral programs of scientific cooperation and is the principal investigator of a TUBITAK project on network design problems with service quality considerations. Dr. Yaman is an Associate Editor of Asia-Pacific Journal of Operational Research, INFORMS Journal on Computing, and Computational Optimization and Applications.

New CORE Research Director : François Maniquet

Francois Maniquet obtained his PhD from the University of Namur in 1994. He worked as a FNRS senior research associate in Namur until he joined CORE in 2005. He has been awarded the Francqui Prize in 2010. His research interests are in social choice theory, public economics and political economics. He recently obtained an ERC grant to work on the economics of poverty. He is an Editor of Economics and Philosophy, and he is in the editorial board of, among others, Social Choice and Welfare and Mathematical Social Sciences. His main hobby is to participate as an actor in theater plays and short movies.

François Maniquet is elected Research Director for 3 years.



GSK Biologicals Chair in Sourcing and Procurement

UCL, Louvain School of Management (ILSM) and GSK Biologicals launch an endowed professorship in sourcing and procurement from September 2011.

GlaxoSmithKline Biologicals (GSK Biologicals), the vaccine division of the GSK Group, is a global vaccine research, development and production company, at the cutting edge of innovation in the fight against the most deadly infections and diseases. Headquartered in Belgium, GSK Biologicals employs over 11,000 people worldwide, of which 7,000 in its three Belgian sites: Rixensart, Wavre and Gembloux. GSK Biologicals' global production network is in the midst of becoming the largest in the entire vaccines industry; 15 production sites strategically positioned around the world manufacture, formulate, fill, pack, check and deliver over a billion doses of about 30 different vaccines. Sourcing and procurement are vital functions for the GSK Biologicals operations, where the contractual relationships to suppliers and subcontractors constantly evolve and constitute a strategic competitive edge in the market. Contrary to e.g. the Netherlands and the UK there has been no academic research group in Belgium in sourcing, nor specialization in the academic curriculum, until now. It is thus very honorable that the quality of the graduate programmes of the Louvain School of Management and the applied research in supply chain management at CORE have convinced GSK Biologicals about the joint benefits from an endowed chair. The Chair is working intimately with the central sourcing functions of GSK Biologicals under the direct supervision of the Vice President Global Sourcing and Procurement, Marcel LAUBACHER.



Constantin Blome

We welcome as chairholder Professor **Constantin BLOME**, currently assistant professor in sourcing in emerging markets at the Supply Chain Management Institute of the European Business School (EBS), Germany. Specializing in sourcing, supply chain risk management and performance assessment, Constantin arrives to UCL directly from an invited research sabbatical at Michigan State University in 2010-11. Previous appointments and longer stays in Japan, India and the USA indicate that our new colleague likes to travel and values an international academic career. At CORE, Professor Blome looks forward working with both the team in supply chain management and other colleagues interested in applications of operations management, contracting and industrial organization, in particular linked to the pharmaceutical sector.

The GSK Biologicals Chair will also benefit from the knowledge of two invited international specialists, Professor Andreas Norrman from the Department of Industrial Management and Logistics at Lund University and Professor Lieven Quintens from the Department of Marketing and Supply Chain Management at Maastricht University. In addition, several colleagues from the Louvain School of Management Research Institute will collaborate with the Chair in projects and as affiliates.

Agenda from September to December 2011

Seminars

Updated agenda



ECONOMETRICS

September 26, 2011 (*Joint with Trade & Economic Geography seminar*)

Nicolas DEBARSY, FUNDP

October 3, 2011

Patrick GAGLIARDINI, University of Lugano

October 10, 2011

Amaresh TIWARI, Université de Liège

October 17, 2011

Erwann SBAI, University of Auckland

October 24, 2011

Arnaud DUFAYS, CORE

November 7, 2011 (*Joint with Mathematical Programming seminar*)

Juan Pablo ORTEGA, Université de Franche-Comté

November 14, 2011 (*Joint with LSM Finance*)

Frans DE ROON, Tilburg University

November 21, 2011 (*Joint CORE-ISBA*)

Melanie SCHIENLE, Humboldt-Universität zu Berlin

November 28, 2011 (*Joint with LSM Finance*)

Marie DUTORDOIR, Manchester Business School

December 5, 2011

Anna SIMONI, Università Bocconi

December 12, 2011 (*Joint with LSM Finance*)

Sophie BERAU, Louvain School of Management

ECONOMIC THEORY

September 26, 2011

Peter HAMMOND, University of Warwick
Rationally bounded models and enlivened decision trees

October 3, 2011

ECORE seminar

October 10, 2011

Joe THARAKAN, Université de Liège

October 24, 2011

Luc LAUWERS, K.U.Leuven

November 7, 2011 (*Joint with Trade & Economic Geography seminar*)

Carsten ECKEL, University of Munich

November 14, 2011

ECORE seminar

Axel GAUTIER, CORE & Université de Liège

November 21, 2011

Sergio CURRARINI, Università Ca'Foscari di Venezia

November 28, 2011

Henry TULKENS, CORE

December 5, 2011

David M. FRANKEL, Iowa State University

December 12, 2011

ECORE seminar

December 12, 2011 (*Joint with Trade & Economic Geography seminar*)

Jonathan EATON, Pennsylvania State University

MATHEMATICAL PROGRAMMING

September 8, 2011

Claudio THELHA, MIT

October 18, 2011

Jean-Charles DELVENNE, INMA, UCLouvain

Optimal partitions and community structures in large graphs

November 22, 2011

Julien HENDRICKX, INMA, UCLouvain

December 13, 2011

Gongyun ZHAO, National University of Singapore

Our new associate fellow & research associates

Jean-Charles Delvenne (Department of Applied Mathematics at Université catholique de Louvain) joins us as Associate Fellow from September 2011 till August 2013. He will be at CORE on Mondays.

Marie-Louise Leroux (Université du Québec à Montréal) and **Shin-Huei Wang** (University of Beijing) join us as Research Associates from September 2011 till August 2013 for Marie-Louise and from September 2010 till August 2012 for Shin-Huei. They will visit us regularly during this forthcoming academic year.

THESES

🕒 On September 2, 2011 - **Tanguy Isaac**
Essays in Economics.

I. Information Revelation in market with Pairwise Meetings. II. Intergenerational Fairness

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

Current position: On the job market.

🕒 On October 4, 2011 - **Joachim Gahungu**
Real Options Models in Electricity Capacity Generation

Docteur en Sciences de l'Ingénieur, Université catholique de Louvain under the supervision of Yves Smeers.

Current position: Candidate on private market.



Publications...

Reprints...

Econometric theory	2300	Bouezmarni, T. and J. Rombouts. Semiparametric multivariate density estimation for positive data using copulas. <i>Computational Statistics and Data Analysis</i> 53(6), 2040-2054, 2009.
	2301	Bouezmarni, T. and J. Rombouts. Nonparametric density estimation for multivariate bounded data. <i>Journal of Statistical Planning and Inference</i> 140(1), 139-152, 2010.
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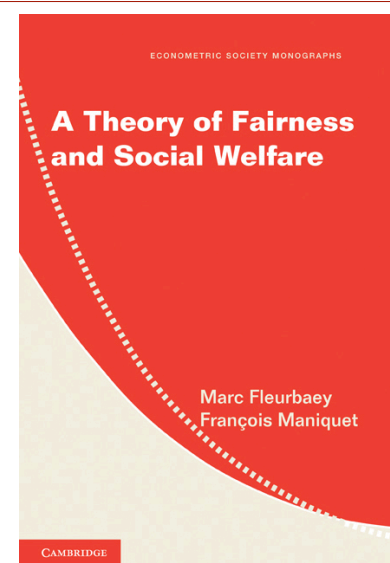
Econometric theory	2011/21 2011/22	Korobilis, D. Hierarchical shrinkage priors for dynamic regressions with many predictors. Korobilis, D. VAR forecasting using Bayesian variable selection.
Energy economics	2011/28	Durand-Lasserve, O., A. Pierru and Y. Smeers. Effects of the uncertainty about global economic recovery on energy transition and CO ₂ price.
Environmental economics	2011/25 2011/27 2011/31	Hritonenko, N. and Y. Yatsenko. Sustainable growth and modernization under environmental hazard and adaptation. de la Croix, D. and A. Gosseries. The natalist bias of pollution control. Dao, N.T. and J. Davila. Implementing steady state efficiency in overlapping generations economies with environmental externalities.
Game theory	2011/29	Mauleon, A., E. Molis, V. Vannetelbosch and W. Vergote. Absolutely stable roommate problems.
Industrial organization	2011/17 2011/18 2011/19 2011/32	Manez, J.A., R. Moner-Colonques, J. Sempere-Monerris and A. Urbano. Price differentials among brands in retail distribution: product quality and service quality. Picard, P. and B. Van Pottelsberghe de la Potterie. Patent office governance and patent system quality. Auriol, E. and P. Picard. A theory of BOT concession contracts. Belleflamme, P., Th. Lambert and A. Schwienbacher. Crowdfunding: tapping the right crowd.
Macroeconomic policies	2011/33	Pestieau, P. and G. Ponthière. Optimal fertility along the lifecycle.
Mathematical finance	2011/34 2011/35	Gahungu, J. and Y. Smeers. Optimal time to invest when the price processes are geometric Brownian motions. A tentative based on smooth fit. Gahungu, J. and Y. Smeers. Sufficient and necessary conditions for perpetual multi-assets exchange options.
Microeconomic theory	2011/20	Schroyen, F. Attitudes towards income risk in the presence of quantity constraints.
Optimization methods and operations research	2011/30	Gillis, N. and F. Glineur. Accelerated multiplicative updates and hierarchical algorithms for nonnegative matrix factorization.
Public and welfare economics	2011/23 2011/24 2011/26	Fleurbaey, M. and S. Zuber. Inequality aversion and separability in social risk evaluation. Cremer, H. and P. Pestieau. Social long term care insurance and redistribution. Fleurbaey, M. and E. Schokkaert. Equity in health and health care.
Supply Chain Management	2011/16	Strack, G., B. Fortz, F. Riane and M. Van Vyve. Comparison of heuristic procedures for an integrated model for production and distribution planning in an environment of shared resources.

Publications

Books

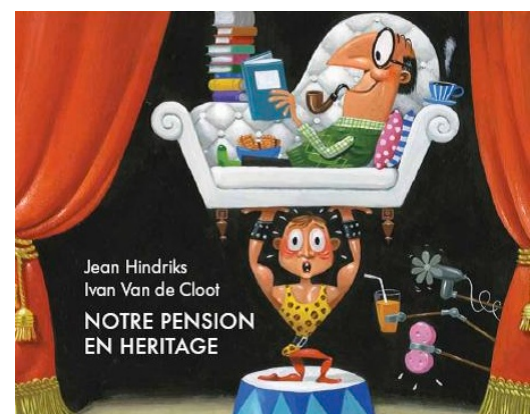
A Theory of Fairness and Social Welfare
by *Marc Fleurbaey and François Maniquet*
Cambridge University Press, 2011

The definition and measurement of social welfare have been a vexed issue for the past century. This book makes a constructive, easily applicable proposal and suggests how to evaluate the economic situation of a society in a way that gives priority to the worst-off and that respects each individual's preferences over his or her own consumption, work, leisure, and so on. This approach resonates with the current concern to go "beyond the GDP" in the measurement of social progress. Compared to technical studies in welfare economics, this book emphasizes constructive results rather than paradoxes and impossibilities, and shows how one can start from basic principles of efficiency and fairness and end up with concrete evaluation of policies.



Notre Pension en Héritage
by *Jean Hindriks and Ivan Van de Cloot*
Roularta, 2011

Belgium is the last country in Europe without a pension reform. The papyboom is now hitting the social security with critical effects. There is a massive outflow from the job market and the Social Security is running deficit of several billions. What can we do to face this demographic transition? In this book, Jean Hindriks and Ivan Van de Cloot make an alarming conclusion about our pension system. The authors calculate the employment and retirement age changes required to absorb the demographic shock. The authors then set up concrete and progressive proposals in order to get our system back on track and at the same time preserve the solidarity between generations. A key proposal to smooth the demographic transition is the introduction of a part-time pension to favor the partial retention of retiring workers. Other proposals include the progressive introduction of a notional account system for new workers both in public and private sectors, annuity market, reverse mortgage for senior aged 65 or older, fiscal harmonization of labor income and pension income, Automatic Budgeting System (ABS).



Some friendly news



Caroline Dutry arrived at CORE as a trainee for ERSA and CORE; she was then involved within the administrative team. Now, after 2 years, Caroline chose to pursue her career at the University of Paris 1 with Bernard Cornet within the European EDEEM project.

For her departure (and before everybody went on holiday), she offered a very friendly and delicious drink. Former colleagues also joined us to celebrate her new start.

From top left: Francisco Santana Ferra, Alain Gillis, Caroline Dutry, Catherine Germain, Micheline Delize, Laurent Buzet, Raphael Tursis.

From bottom left: Caroline Theodor, Anne-Marie Pessleux, Séverine Dinjar, Marie Hervo, Fabienne Henry, Maristella Algostizi (and Sylvie Mauroy behind the camera).

WELCOME

Aloys

born on
April 28, 2011

happy parents:
Tanguy Isaac &
Sabine

Basile

born on
May 27, 2011

happy parents:
Sébastien Van Bellegem
& Marie-Caroline

**Riccardo
Daniele**

born on
August 28, 2011

happy parents:
Paolo Piacquadio
& Arina

*Let the others be praised
about the pages they have written;
I'm proud of those I've read.*

*Laissons les autres se vanter
des pages qu'ils ont écrites; moi, je
suis fier de celles que j'ai lues.*

*别人吹嘘自己所写的东西；
我则为自己所阅读的东西而
自豪。*

Jorge Luis Borges



CORE is offering research fellowships in economics, operations research and econometrics, starting September 1st, 2012.

Applications (Personal data, CV, degrees, current position, research interests with sample papers and name of 3 referees) must be filled through the [website](#), **BEFORE November 30, 2011**. An automatic mail will be sent to your 3 referees asking them to send a reference letter through the website.



The Université catholique de Louvain is looking for a full-time (tenured track or tenured) specialist in Industrial Economics, Organizational and Market Design.

Starting date: September 1st, 2012.

Deadline for submission: December 15, 2011

Further information: Not yet available but if interested, do not hesitate to consult regularly the website; it will be updated soon: <http://www.uclouvain.be/en-208863.html>

How to submit an application: <http://www.uclouvain.be/en-38120.html>



The Université catholique de Louvain seeks to fill a tenure track or tenured position in quantitative and operational energy economics. The appointment level can range from Assistant to Full Professor depending on the qualification and experience of candidate. The selected candidate will be a member of CORE.

Starting date: September 1st, 2012.

Deadline for submission: December 15, 2011

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To contact us:

CORE

34 voie du Roman Pays
1348 Louvain-la-Neuve
Belgium

☎ +32(10)474321

e-mail: corsec-core@uclouvain.be
<http://www.uclouvain.be/core>

Responsible editors:
francois.manique@uclouvain.be
francisco.santanaferra@uclouvain.be
erik.schokkaert@uclouvain.be

Design & realisation:
sylvie.mauroy@uclouvain.be