

Advances in Economics and Econometrics

This is the first of three volumes containing edited versions of papers and commentaries presented at invited symposium sessions of the Eighth World Congress of the Econometric Society held in Seattle, WA, in August 2000. The papers summarize and interpret recent key developments, and they discuss future directions for a wide range of topics in economics and econometrics. The papers cover both theory and applications. Written by leading specialists in their fields, these volumes provide a unique survey of progress in the discipline.

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Cambridge University Press & Assessment
 978-0-521-52411-7 — Advances in Economics and Econometrics
 Theory and Applications, Eighth World Congress
 Mathias Dewatripont, Lars Peter Hansen, Stephen J. Turnovsky

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Econometric Society Monographs No. 35

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Cambridge University Press & Assessment

978-0-521-52411-7 — Advances in Economics and Econometrics

Theory and Applications, Eighth World Congress

Mathias Dewatripont, Lars Peter Hansen, Stephen J. Turnovsky

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Advances in Economics and Econometrics

*Theory and Applications, Eighth
World Congress, Volume I*

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CAMBRIDGE
UNIVERSITY PRESS

Cambridge University Press & Assessment
 978-0-521-52411-7 — Advances in Economics and Econometrics
 Theory and Applications, Eighth World Congress
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www.cambridge.org

Information on this title: www.cambridge.org/9780521524117

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First published 2003

A catalogue record for this publication is available from the British Library

Library of Congress Cataloging-in-Publication data

Advances in economics and econometrics : theory and applications : eighth world

Congress / edited by Mathias Dewatripont, Lars Peter Hansen, Stephen J. Turnovsky.

p. cm. – (Econometric Society monographs ; 2003.)

ISBN 0-521-81872-9 (v.1) – ISBN 0-521-52411-3 (pb.) – ISBN 0-521-81873-7 (v.2) –

ISBN 0-521-52412-1 (pb.) – ISBN 0-521-81874-5 (v.3) – ISBN 0-521-52413-X (pb.)

1. Econometrics – Congresses. 2. Economics – Congresses. I. Dewatripont, M.

(Mathias) II. Hansen, Lars Peter. III. Turnovsky, Stephen J. IV. Econometric

Society. World Congress (7th : 1995 : Tokyo, Japan) V. Series.

HB139 .A35 2003

330 – dc21

2002071258

ISBN 978-0-521-81872-8 Hardback

ISBN 978-0-521-52411-7 Paperback

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Preface

These volumes contain the papers of the invited symposium sessions of the Eighth World Congress of the Econometric Society. The meetings were held at the University of Washington, Seattle, in August 2000; we served as Program Co-Chairs. The book also contains an invited address, the “Seattle Lecture,” given by Eric Maskin. This address was in addition to other named lectures that are typically published in *Econometrica*. Symposium sessions had discussants, and about half of them wrote up their comments for publication. These remarks are included in the book after the session papers they comment on.

The book chapters explore and interpret recent developments in a variety of areas in economics and econometrics. Although we chose topics and authors to represent the broad interests of members of the Econometric Society, the selected areas were not meant to be exhaustive. We deliberately included some new active areas of research not covered in recent Congresses. For many chapters, we encouraged collaboration among experts in an area. Moreover, some sessions were designed to span the econometrics–theory separation that is sometimes evident in the Econometric Society. We followed the lead of our immediate predecessors, David Kreps and Ken Wallis, by including all of the contributions in a single book edited by the three of us. Because of the number of contributions, we have divided the book into three volumes; the topics are grouped in a manner that seemed appropriate to us.

We believe that the Eighth World Congress of the Econometric Society was very successful, and we hope that these books serve as suitable mementos of that event. We are grateful to the members of our Program Committee for their dedication and advice, and to Scott Parris at Cambridge University Press for his guidance and support during the preparation of these volumes. We also acknowledge support from the officers of the Society – Presidents Robert Lucas, Jean Tirole, Robert Wilson, Elhanan Helpman, and Avinash Dixit – as well as the Treasurer, Robert Gordon, and Secretary, Julie Gordon. Finally, we express our gratitude to the Co-Chairs of the Local Organizing Committee, Jacques Lawarree and Fahad Khalil, for a smoothly run operation.