

# **Research Unit on Economic Structures and Growth**

Department of Economics, University of Helsinki

## **Annual Report 2003**

### **Director:**

*Seppo Honkapohja, Academy Professor*

### **Team Leaders:**

**Seppo Honkapohja**

**Erkki Koskela, Professor of Economics**

**Pentti Saikkonen, Professor of Statistics**

home page: <http://www.valt.Helsinki.fi/raka/>

RUESG is funded jointly by the Academy of Finland, University of Helsinki, Bank of Finland, Nokia Group and the Yrjö Jahnsson Foundation.

## Overview

2003 was the ninth year of operation for the Research Unit on Economic Structures and Growth (RUESG)<sup>1</sup>. RUESG is a research unit within the Department of Economics at University of Helsinki. Its goal is to conduct top-level research in selected areas of economics (see the web pages of RUESG for details), train selected graduate students in their PhD studies and occasionally provide expertise on economic policy problems in Finland. The Academy of Finland nominated RUESG as a national centre of excellence in research in Finland for the years 2002-2007.

Research activity at RUESG continued at high pace and numerous research publications, papers, lectures and conference presentations were given by RUESG members in 2003. Three books, reports or edited volumes, 13 articles in refereed journals or in edited volumes, and 42 new working papers were published during the year.

RUESG people delivered a total of 66 invited lectures, seminars and contributed presentations. As a highlight we may mention Seppo Honkapohja's plenary lecture in the Conference of the Society of Computational Economics in Seattle, USA.

Of other scientific activity we mention that several people have had both international and domestic other scientific duties and served as experts in scientific and other organisations. RUESG had five international visitors during 2003. Two PhD theses by RUESG people were completed in 2003. A detailed report of the different RUESG activities is provided below.

Currently, the personnel of RUESG consist of three professors, two senior fellows, seven post-doctoral fellows and nine graduate students (details are given below). All graduate students and about half of the more senior personnel are full time researchers while the others have been appointed in positions with teaching and administrative obligations. In addition to research, most of the full time researchers have taught individual courses or sections of courses in the university or some other institution.

As another highlight we remark that in November Seppo Honkapohja was appointed as Professor of International Macroeconomics at University of Cambridge, UK. He will continue as the director of RUESG through February 2004, after which Erkki Koskela will become the director of RUESG. Honkapohja will continue to participate in RUESG activities as a Visiting Professor.

---

<sup>1</sup> In Finnish RUESG is called RAKA (Talouden rakenteiden ja kasvun tutkimusyksikkö).

## Summaries of current research

### Professors and fellows:

*Seppo Honkapohja's* research focused on the implications of adaptive learning for the conduct of macroeconomic policy. One line of work considered different forms for implementing inflation targeting. These include optimal monetary policy under commitment, for which the standard implementation can be subject to the problem of indeterminacy and instability under learning whereas an alternative forecast-based optimal interest rate rule is free from these concerns. The results also extend to situations where the policy maker estimates structural parameters of the economy. Two other projects in monetary policy were the performance of Friedman's money supply rule relative to optimal interest rate setting and an examination of the performance of so-called inflation targeting based on constant interest rate projections. Projects on fiscal policy assessed the so-called fiscal theory of the price level and government expenditure and tax policies in a cash-in-advance economy. Seppo has also done some work on the possibility and plausibility of liquidity traps arising from interest rate policies and on costs and benefits from tax competition.

*Erkki Koskela's* research concentrated on the following five different topics: The first topic considers the analysis of the determinants of the Finnish unemployment, which reached the average European level in the 1990s. The second topic focuses on forest rotation issue and optimal investment behaviour under the circumstances where the interest rate is both stochastic and fluctuates over time according to a mean-reverting process. The third topic re-examined the relationship between profit sharing and equilibrium unemployment, which is an important issue in Europe. His fourth topic deals with optimal forest taxation and royalty design under illegal logging and alternative penalty schemes. The fifth topic has focused on optimal capital taxation under imperfectly competitive labour markets.

*Pentti Saikkonen* has mainly been doing research on two topics. In the first one he obtained stability results for nonlinear vector autoregressive models and similar nonlinear error correction models. In both cases the considered models were more general than usually in that they allowed for certain mixtures of the corresponding conventional models. Pentti's second topic was related to conventional autoregressive error correction models in which he continued and extended his earlier work on tests for cointegration in the case of a level shift at unknown time. In addition, Pentti developed test procedures for testing residual autocorrelation in autoregressive error correction models.

*Essi Eerola's* research in 2003 considered the following three themes. The first theme, national environmental policies and policy coordination, relates to her dissertation "Essays on the design of environmental policy", which was defended at the University of Helsinki in April. After the defence, Essi revised and submitted one of the chapters of the thesis and revised other, previously submitted chapters following the comments of my opponent and journal referees. The second, more recent, theme is the design of protocols that govern international environment talks. Preliminary results of the study on the negotiation and ratification of international environmental agreements have now been presented in two conferences. The third theme concerns

the political economy of housing taxation. This is a research project conducted in collaboration with a colleague. The first paper on this topic is now close to being ready for submission.

*Eran Guse's* research focused on the heterogeneous expectations in the field of learning. One study focused on heterogeneity and multiple equilibria under adaptive learning. The two equilibria of the model discussed exchange stability when the mean squared error of the less parsimonious updating rule is minimized. Another paper examines the model where heterogeneity is determined endogenously via an evolutionary process. Here, if the relative cost of using the more complicated updating rule is relatively large, then all agents will asymptotically choose the less parsimonious updating rule. Finally, a third paper that is in progress investigates a model with uncommon structural shocks that can change stability conditions under learning. Business cycle-like dynamics occur from the combination of evolutionary and adaptive learning.

*Markus Haavio's* research focused on two topics in applied theory. First he continued exploring the relative merits of rental housing and owner-occupation in enhancing efficient mobility of households and labour in dynamic models with financial market imperfections and agency costs in rental housing. The second project combined themes from environmental economics and economic geography to study strategic environmental policy, and to demonstrate that the international non-tradability of environmental amenities matters.

The research of *Marja-Liisa Halko* was concentrated on the implications of different systems of unemployment insurance financing for labour unions' wage decisions and thereby for employment. The special focus was on the effects of so called EMU-buffers which were formed in Finland in the end of 90's to stabilize the cost of labour, and thereby employment, over business cycles. Toward the end of the year she also started a new research project that deals with a directed search model of a "dual" labour market with homogeneous workers and homogeneous firms. A monopoly trade union that maximizes the workers' lifetime utility sets the wage in one market, whereas wages in an alternative market result from pair wise contracting between firms and workers. The aim of the project is to develop a model that depicts European labour markets better than the standard search models.

*Heikki Kauppi's* research includes topics in economic theory and econometrics. I have continued to work on theoretical models to examine the relative merits of owner occupation and rental housing in enhancing interregional mobility of households and labour. Some of the empirical work includes estimating potential output using a new methodology and studying the relationship between anthropogenic emissions and global surface temperature. A new theoretical and empirical project is concerned with equilibrium unemployment and investment under product and labor market imperfections. Another new project develops and applies empirical methods to assess to what extent EU budget allocations can be attributed to selfish power politics of the member countries and whether such explanations can be improved by taking cooperative voting patterns into account.

*Markku Lanne's* research concentrated on the econometric modelling of highly persistent time series and financial econometrics in four separate projects. In his first

project (with Pentti Saikkonen) a new kind of generalized autoregressive conditional heteroskedasticity model was devised and applied to exchange rate returns. His second project (with Pentti Saikkonen) involves a time-series model incorporating conditional heteroskedasticity and skewness. Application to U.S. stock returns showed the capability of the new specification to capture the risk-return tradeoff in contrast to most of the previous literature. In the third project he used high-frequency data to examine the relation between exchange rate volatility and transaction costs. It turned out that volatility increases with transaction costs, contrary to some recent claims. His fourth project (with Esa Jokivuolle, Bank of Finland) deals with the high-frequency process of a stock traded at two stock exchanges simultaneously.

*Mikko Leppämäki* continued collaborating with Micael Castanheira (ECARES, ULB) by finishing the project “Optimal Information Management: Organizations versus Markets”. In their other paper Leppämäki and Castanheira examine the effects of technological progress on the optimal mode of information processing, the shape of hierarchy and total employment, and whether technological progress displays job destruction. In another paper with Mikko Mustonen (Helsinki School of Economics) the authors introduce a novel signalling game where signalling in the labour market has a positive or negative product market externality. They consider how the least cost separating equilibrium is affected by product market externalities and examine when there exists from socially efficient point of view too much or too little signalling. Also some new work on ownership transfer restrictions and human capital in partnerships was initiated during the year. In 2003 Mikko Leppämäki served as a full time director of Finnish Doctoral programme in Economics (FDPE)

*Anne Mikkola* has been starting a new area of research towards issues of development and the status of women. A draft of a literature review was completed with the title “Does the low status of women affect growth and incentives for development?” This work gave rise to a lecture in a course and a presentation in the faculty of social sciences. Anne also served as a fixed-term Professor in the department of economics.

*Tuomas Pekkarinen* joined RUESG in April 2003. During the spring and summer 2003 he worked on the final revision of his PhD thesis “Job complexity and wages”. The thesis was accepted at the department of economics of the European University Institute in Florence, Italy on September 26th 2003. In July 2003, Pekkarinen took part in the European Science Days in Steyr, Austria, where he presented a poster session on his paper “Gender differences in job assignment and promotion on a complexity ladder of jobs”. As of October 2003, Pekkarinen is on leave of absence to visit Nuffield College, Oxford as a Prize Research Fellow.

## Graduate students<sup>2</sup>

A considerable part of *Ilkka Kiesepää's* work has still consisted of doing the requested graduate studies in economics. He has completed the courses in Macroeconomic theory, in Econometrics, and in Empirical Economics of Network Industries, and deepened his knowledge of endogenous growth theory. He has also started to work on a dissertation entitled "Studies in Network Economics", which will consider network

---

<sup>2</sup> For more junior graduate students, the summaries provide a description of their graduate studies and research (when applicable).

industries and, more specifically, the software industry from a variety of perspectives, including the perspective of macroeconomic growth models.

*Anja Mankila* completed the FPPE courses in Macroeconomic Theory and Econometrics. After that, she started to work on her licentiate's thesis on Economics of Education. In addition, she lectured the course "Mathematical Methods in Economics" at the department.

*Inka Mattila* has been on Leave all of 2003. She is working at UNDP to improve her training in development issues.

*Toni Nordlund's* research revolved around optimal stopping problems implicit in R&D and venture financing. Toni visited the Research Department of the Bank of Finland in the first half of 2003 and worked on his paper "Optimal R&D Policy under Uncertainty: A Real-Options Approach. Later in the year Toni started to work on his second paper towards the doctoral dissertation. This work is titled "Dynamic Industry Equilibrium under Asymmetric Information: A Real-Options Approach."

*Timo Seppälä* completed mathematics graduate courses "Mathematical Logic", and "Integral and Measure" as a part of his doctoral studies During the spring and summer terms. He also continued writing of licentiate thesis "Retirement Saving with Hyperbolic Agents" as a part of doctoral thesis about "Essays on Optimal Transition from Public to Private Pension: A Behavioral Approach". Fall term 2003 constituted the first half of a one year invitation visit to University of California at Berkeley. At UC Berkeley Mr. Seppälä continued his research under supervision of Prof. Suzanne Scotchmer, and completed graduate course "Psychology and Economics" and participated graduate course "Game Theory" and graduate seminars "Micro Theory" and "Psychology and Economics".

*Juuso Vanhala* is conducting his doctoral research on technical change, human capital and labor markets. His work is focused on new applications of search/matching models to the study of equilibrium unemployment, wage inequality and labor force participation. In particular this research studies the labor market effects of technical change on workers with heterogeneous skills and the determination of human capital of workers. In addition to his own research he is working on a joint research project with Professor Gianluca Violante (New York University).

*Jouko Verho* started in RUESEG in December 2003. In the current academic year he participates in the graduate courses on microeconomics and macroeconomics offered by the Finnish doctoral programme.

*Timo Vesala* spent the first half-year period of 2003 as a visiting student at the University of Chicago's Economics Department. During his stay in Chicago, Timo participated Department's seminar work and attended selected graduate courses in economics. The main purpose of Timo's visit was to continue my dissertation work under the supervision of Professor Robert M. Townsend. In the fall 2003, Timo served a five-month period as a visiting researcher at the Research Department of the Bank of Finland. His ongoing research projects discussed applications of the search-theory in labour economics, banking and bargaining theory.

*Tommi Vuorenmaa* continued his studies in financial econometrics by attending lectures, workshops, and international summer schools as well as conferences. In the autumn Tommi was granted a Fulbright-stipend for graduate studies in U.S. By that time he started to do research work for my Licentiate thesis. This research consists of analyzing real stock market volatility data using a wavelet multi-scale approach. Such a novel approach will prove to be helpful in financial risk management and forecasting.

## Personnel

At the end of 2003 RUESG had the following personnel:

### Team leaders:

Seppo Honkapohja  
Erkki Koskela  
Pentti Saikkonen

### Senior fellows:

Markku Lanne  
Anne Mikkola<sup>3</sup>

### Post-doctoral fellows:

Essi Eerola  
Eran Guse<sup>4</sup>  
Markus Haavio  
Marja-Liisa Halko  
Heikki Kauppi<sup>5</sup>  
Mikko Leppämäki<sup>6</sup>  
Tuomas Pekkarinen

### Graduate students:<sup>7</sup>

Ilkka Kiesepä  
Anja Mankila  
Inka Mattila  
Toni Nordlund  
Timo Seppälä  
Juuso Vanhala  
Jouko Verho  
Timo Vesala  
Tommi Vuorenmaa

---

<sup>3</sup> Main job as Professor of Economics (international economics).

<sup>4</sup> Guse joined RUESG in August 2003.

<sup>5</sup> Main job as University Lecturer in the Department of Economics.

<sup>6</sup> Main job as Director of the Finnish Doctoral Programme in Economics.

<sup>7</sup> Verho joined RUESG in December 2003.

**Secretary:**

Päivi Leskinen

During 2003 Erkki Koskela, Toni Nordlund and Timo Vesala visited the Research Department of the Bank of Finland.

Timo Seppälä and Timo Vesala have been on visits abroad, respectively, at University of California, USA and University of Chicago, USA.

Inka Mattila has been on leave at UNDP since November 2002 and Tuomas Pekkarinen has been on leave at University of Oxford since October 2003.

**Changes in personnel:**

Anssi Rantala moved to the Pellervo Economic Research Institute in the beginning of March.

RUESG will have three new researchers in the beginning of January 2004 (Mikael Juselius, Leena Kalliovirta and Juha Virrankoski), and Professor Rune Stenbacka will join RUESG as a new Team Leader.

**Visitors to RUESG:**

Micael Castanheira (ECARES), George W. Evans (University of Oregon), Kaushik Mitra (University of London), Monica Merz (University of Bonn) and Ronnie Schöb (University of Magdeburg).

**Details of scientific and other activity****1. Scientific activity 2003****1.1 Publications****Books and research reports**

Calmfors Lars, Corsetti Giancarlo, Flemming John, Honkapohja Seppo, Kay John, Leibfritz Willi, Gilles Saint-Paul, Sinn Hans-Werner, Xavier Vives:

*Report on the European Economy 2003, EEAG Report, European Economic Advisory Group at CESifo, 2003*, Ifo Institute for Economic Research, Munich, Germany, pp. 135.

Eerola Essi:

*Essays on the Design of Environmental Policy*, Research Reports No. 96:2003, Dissertationes Oeconomicae, Helsingin yliopiston kansantaloustieteen laitos, pp. 102

Halko Marja-Liisa:

*Essays on the Financing of Unemployment Benefits*, Research Reports No. 98:2003, Dissertationes Oeconomicae, Helsingin yliopiston kansantaloustieteen laitos, pp. 99

**Articles in refereed journals**

Alvarez Luis H. R., Koskela Erkki:

On Forest Rotation under Interest Rate Variability, *International Tax and Public Finance*, 10, 2003, 489-503

Evans George W., Honkapohja Seppo:  
Existence of adaptively stable sunspot equilibria near an indeterminate steady state, *Journal of Economic Theory* 111 (2003), 125-134

Evans George W., Honkapohja Seppo:  
Expectational stability of stationary sunspot equilibria in a forward-looking linear model, *Journal of Economic Dynamics & Control* 28 (2003), 171-181

Evans George W., Honkapohja Seppo:  
Expectations and the Stability Problem for Optimal Monetary Policies, *The Review of Economic Studies*, Vol. 70 (4) No. 245, October 2003, 807-824.

Evans George W., Honkapohja Seppo:  
Friedman's Money Supply Rule vs. Optimal Interest Rate Policy, *Scottish Journal of Political Economy*, Vol. 50, No. 5, November 2003, 550-566.

Honkapohja Seppo, Mitra Kaushik:  
Learning with bounded memory in stochastic models, *Journal of Economic Dynamics & Control* 27 (2003), 1437-1457.

Koskela Erkki, Ollikainen Markku:  
A behavioral and welfare analysis of progressive forest taxation, *Canadian Journal of Forest Research* 33(12), 2003, 2352-2361.

Koskela Erkki, Ollikainen Markku:  
Optimal Forest Taxation under Private and Social Amenity Valuation, *Forest Science*, Vol. 49, No. 4, August 2003, 596-607.

Lanne Markku, Lütkepohl Helmut, Saikkonen Pentti:  
Test Procedures for Unit Roots in Time Series with Level Shifts at Unknown Time, *Oxford Bulletin of Economics and Statistics*, 65, 1 (2003), 91-115.

Lanne Markku, Saikkonen Pentti:  
Modeling the U.S. Short-Term Interest Rate by Mixture Autoregressive Processes, *Journal of Financial Econometrics*, Vol. 1, No. 1 (2003), 96-125.

Lanne Markku, Saikkonen Pentti:  
Reducing size distortions of parametric stationarity tests, *Journal of Time Series Analysis*, Volume 24, No. 4, July 2003, 423-439.

Lanne Markku:  
Testing the Expectations Hypothesis of the Term Structure of Interest Rates in the Presence of a Potential Regime Shift, *Manchester School* 71 (2003), 54 – 77.

Lütkepohl, Helmut, Saikkonen Pentti, Trenkler Carsten:  
Comparison of Tests for the Cointegrating Rank of a VAR Process with a Structural Shift. *Journal of Econometrics* 113 (2003), 201 - 229.

### Articles in collected volumes

Honkapohja Seppo:

Models with Price Stickiness for Analysis of Monetary Policy, in the volume "Talouden tutkimus ja päätöksenteko - Kirjoituksia rakennemuutoksesta, kasvusta ja talouspolitiikasta", eds. Alho Kari, Lassila Jukka, Ylä-Anttila Pekka, ETLA, Elinkeinoelämän tutkimuslaitos, Helsinki 2003, 257-271.

Essi Eerola ja Niku Määttänen:

Strategic Alliances, Joint Investments, and Market Structure, Elinkeinoelämän tutkimuslaitos, discussion papers nro 871/2003

Kieseppä Ilkka:

Evolutionaarinen peliteoria, etiikka ja yhteiskuntasopimus, in the volume "Etiikka & talous" eds. Kanninen Vesa, Sintonen Matti, 2003, 125-148.

Kieseppä Ilkka:

Akaike's Theorem and Bayesian Methodology, in the volume "Philosophical Dimensions of Logic and Science" eds. Rojszczak A., Cachro J. and Kurczewski G., Kluwer Academic Publishers, 2003, 117-137.

Koskela Erkki, Uusitalo Roope:

Kuinka Suomen työttömyys saavutti eurooppalaisen tason, in the volume "Parempi työllisyys, pienempi työttömyys - kuinka se tehdään?" ed. Räisänen Heikki, VATT-julkaisu 35, Helsinki 2003, Valtion taloudellinen tutkimuskeskus, 83-94.

Lanne Markku, Lütkepohl Helmut, Saikkonen Pentti:

Unit Root Tests in the Presence of Innovational Outliers, in the volume "Contributions to Modern Econometrics. From Data Analysis to Economic Policy. In Honour of Gerd Hansen" ed. by Klein Ingo and Mittnik Stefan, Kluwer Academic Publishers, 2003, 151-167.

Lanne Markku, Saikkonen Pentti:

On mixture autoregressive models, in the volume "Statistics, Econometrics and Society: Essays in honour of Leif Nordberg" eds. Höglund Rune, Jäntti Markus, Rosenqvist Gunnar, Tutkimuksia 238, Helsinki 2003, Tilastokeskus, 69-89.

Lanne, Markku, Lütkepohl Helmut, Saikkonen Pentti:

Unit root tests in the presence of innovational outliers. In I. Klein and S. Mittnik (eds.) "Contributions to Modern Econometrics", Kluwer Academic Publishers, 2002, 151-167.

### Articles in other scientific journals

Eerola Essi:

Esseitä ympäristöpolitiikan muodostumisesta, Kansantaloudellinen aikakauskirja 99. vsk., 3/2003, 320-322.

Halko Marja-Liisa:

Arvioita työttömyysvakuutuksen puskurirahastoinnista, *Talous & Yhteiskunta* 3/2003, 32-36.

Honkapohja Seppo:

Testing the credibility of the EMU's stability and growth pact, *Unitas, Nordea Economic Review* 1, 2003, Volume 75, 10-15.

Kieseppä Ilkka A.:

book review: Stadler, Friedrich: *The Vienna Circle. Studies in the Origins, Development, and Influence of Logical Empiricism*. Wien, Springer 2001. *Journal for General Philosophy of Science* 33, 2002. 2003 Kluwer Academic Publishers, 409-416

Koskela Erkki:

Euromaiden finanssipolitiikan säännöistä ja yhteensovittamisesta, *Talous & Yhteiskunta*, 31. vuosikerta, 2/2003, Palkansaajien tutkimuslaitos, 38-40.

Leppämäki Mikko:

Onko omistajuudella väliä? *Kansantaloudellinen aikakauskirja* 99. vsk., 3/2003, 251-254.

### **Articles and working papers in the Department of economics, University of Helsinki or other series**

Adam Klaus, Evans George W., Honkapohja Seppo:

Are Stationary Hyperinflation Paths Learnable? Discussion Paper No. 568:2003, Helsingin yliopiston kansantaloustieteen laitos, pp. 27.

Adam Klaus, Evans George W., Honkapohja Seppo:

Are Stationary Hyperinflation Paths Learnable? Working Paper No. 936, April 2003, CESifo Working Papers, Center for Economic Studies & Ifo Institute for Economic Research, Munich, Germany, pp. 26.

Alvarez Luis H. R., Koskela Erkki:

A General Approach to the Stochastic Rotation Problem with Amenity Valuation, Working Paper No. 857, February 2003, CESifo Working Papers, Center for Economic Studies & Ifo Institute for Economic Research, Munich, Germany, pp. 26.

Alvarez Luis H. R., Koskela Erkki:

Irreversible Investment under Interest Rate Variability: Some Generalizations, Discussion Papers No. 841/2003, ETLA, Elinkeinoelämän tutkimuslaitos, pp. 27.

Alvarez Luis H. R., Koskela Erkki:

On the Tree-Cutting Problem under Interest Rate and Forest Value Uncertainty, Working Paper No. 870, February 2003, CESifo Working Papers, Center for Economic Studies & Ifo Institute for Economic Research, Munich, Germany, pp. 8.

Alvarez Luis H. R., Koskela Erkki:

Wicksellian Theory of Forest Rotation under Interest Rate Variability, Discussion Paper No. 581:2003, Department of Economics, University of Helsinki, pp. 19.

Alvarez Luis H.R., Koskela Erkki:  
On Forest Rotation under Interest Rate Variability, Discussion Papers No. 840/2003, ETLA, Elinkeinoelämän tutkimuslaitos, pp.14.

Alvarez Luis H.R., Koskela Erkki:  
Wicksellian Theory of Forest Rotation under Interest Rate Variability, Working Papers No. 62/2003, Pellervon taloudellinen tutkimuslaitos, pp.16.

Amacher Gregory S., Koskela Erkki, Ollikainen Markku:  
Environmental Quality Competition and Eco-Labeling, Discussion Papers No. 848/2003, ETLA, Elinkeinoelämän tutkimuslaitos, pp. 28.

Amacher Gregory S., Koskela Erkki, Ollikainen Markku:  
Forest Rotations and Stand Interdependency: Ownership Structure and Timing of Decisions, Discussion Paper No. 584:2003, Department of Economics, University of Helsinki, pp. 42.

Amacher Gregory S., Koskela Erkki, Ollikainen Markku:  
Optimal Royalty Design and Illegal Logging Under Alternative Penalty Schemes, Discussion Paper No. 570:2003, Department of Economics, University of Helsinki, pp. 32.

Amacher Gregory S., Koskela Erkki, Ollikainen Markku:  
Quality Competition and Social Welfare in Markets with Partial Coverage: New Results, Discussion Papers No. 851/2003, ETLA, Elinkeinoelämän tutkimuslaitos, pp.15.

Amacher Gregory S., Koskela Erkki, Ollikainen Markku:  
Royalty Reform and Illegal Reporting of Harvest Volumes Under Alternative Penalty Schemes, Discussion Paper No. 562:2003, Department of Economics, University of Helsinki, pp. 32.

Saikkonen Pentti:  
Stability of mixtures of nonlinear vector autoregressions with autoregressive conditional heteroskedasticity, mimeo, 2003.

Saikkonen Pentti:  
Stability results for nonlinear error correction models, mimeo, 2003.

Choi, I., Saikkonen Pentti:  
Testing linearity in cointegrating smooth transition regressions, mimeo, 2003.

Brüggemann, R., H. Lütkepohl & P. Saikkonen:  
Residual autocorrelation testing for vector error correction models, ECO Working Paper, European University Institute, 2003.

Castanheira Micael, Leppämäki Mikko:

Optimal Information Management: Organizations Versus Markets, CEPR Discussion Paper No. 4072, September 2003, Centre for Economic Policy Research, London, UK, pp. 30.

Castanheira Micael, Leppämäki Mikko:  
Optimal Information Management: Organizations versus Markets, Discussion Paper No. 571:2003, Department of Economics, University of Helsinki, pp. 32.

Evans George W., Honkapohja Seppo:  
Adaptive Learning and Monetary Policy Design, Discussion Paper No. 566:2003, Department of Economics, University of Helsinki, pp. 35.

Evans George W., Honkapohja Seppo:  
Friedman's Money Supply Rule versus Optimal Interest Rate Policy, CEPR Discussion Paper No. 3883, May 2003, Centre for Economic Policy Research, London, UK, pp. 20.

Evans George W., Honkapohja Seppo:  
Friedman's money supply rule vs. optimal interest rate policy, Bank of Finland Discussion Papers 10/2003, Suomen Pankki, pp. 22.

Evans George W., Honkapohja Seppo:  
Friedman's Money Supply Rule vs. Optimal Interest Rate Policy, Discussion Paper No. 564:2003, Department of Economics, University of Helsinki, pp.20

Evans George W., Honkapohja Seppo:  
Policy Interaction, Expectation and the Liquidity Trap, CEPR Discussion Paper No. 3925, June 2003, Centre for Economic Policy Research, London, UK, pp. 31.

Evans George W., Honkapohja Seppo:  
Policy Interaction, Learning and the Fiscal Theory of Prices, Discussion Paper No. 565:2003, Department of Economics, University of Helsinki, pp.28

Evans George W., Honkapohja Seppo:  
The E-Correspondence Principle, Discussion Paper No. 585:2003, Department of Economics, University of Helsinki, pp.22.

Guse Eran:  
Learning with Heterogeneous Expectations in an Evolutionary World, Discussion Paper No. 588:2003, Department of Economics, University of Helsinki, pp.33

Guse Eran:  
Stability Properties for Learning with Heterogeneous Expectations and Multiple Equilibria, Discussion Paper No. 574:2003, Department of Economics, University of Helsinki, pp. 28.

Haavio Markus, Kauppi Heikki:  
Housing Markets in a Simple Pure Consumption Economy, Discussion Paper No. 587:2003, Department of Economics, University of Helsinki, pp.33.

Halko Marja-Liisa:

Buffer funding of unemployment insurance in a dynamic labour union model, Bank of Finland Discussion Papers 24/2003, Bank of Finland, pp. 28.

Halko Marja-Liisa:

Buffer funding of unemployment insurance: wage and employment effects, Discussion Paper No. 561:2003, Department of Economics, University of Helsinki, pp. 31.

Halko Marja-Liisa:

Wage Bargaining and Employment under Different Unemployment Insurance Contribution Policies, Discussion Paper No. 557:2003, Department of Economics, University of Helsinki, pp. 30.

Honkapohja Seppo, Mitra Kaushik:

Performance of Monetary Policy with Internal Central Bank Forecasting, Discussion Paper No. 567:2003, Department of Economics, University of Helsinki, pp. 36.

Honkapohja Seppo, Mitra Kaushik:

Adaptive Learning in Stochastic Nonlinear Models When Shocks Follow a Markov Chain, Discussion Papers 2003-22, Institute of Economics, University of Copenhagen, Denmark, pp. 15.

Honkapohja Seppo, Mitra Kaushik:

Performance of Inflation Targeting Based on Constant Interest Rate Projections, CEPR Discussion Paper No. 4126, December 2003, Centre for Economic Policy Research, London, UK, pp. 33.

Honkapohja Seppo, Mitra Kaushik:

Performance of Inflation Targeting Based On Constant Interest Rate Projections, Discussion Paper No. 580:2003, Department of Economics, University of Helsinki, pp. 33.

Koskela Erkki, Ollikainen Markku:

A Behavioral and Welfare Analysis of Progressive Forest Taxation, Discussion Papers No. 862/2003, ETLA, Elinkeinoelämän tutkimuslaitos, pp.24.

Koskela Erkki, Puhakka Mikko:

Stabilizing Competitive Cycles with Distortionary Taxation, Working Paper No. 947, May 2003, CESifo Working Papers, Center for Economic Studies & Ifo Institute for Economic Research, Munich, Germany, pp. 22.

Koskela Erkki, Puhakka Mikko:

Stone-Geary Preferences in Overlapping Generations Economies under Pure Exchange, Discussion Paper No. 549:2003, Department of Economics, University of Helsinki, pp. 13.

Koskela Erkki, Stenbacka Rune:

Equilibrium Unemployment Under Negotiated Profit Sharing, IZA Discussion Paper No. 840, August 2003, The Institute for the Study of Labor (IZA), Bonn, Germany, pp. 24.

Koskela Erkki, Uusitalo Roope:

The Un-Intended Convergence: How the Finnish Unemployment Reached the European Level, Working Paper No. 878, February 2003, CESifo Working Papers, Center for Economic Studies & Ifo Institute for Economic Research, Munich, Germany, pp. 43.

Koskela Erkki, Viren Matti:

Government Size and Output Volatility: New International Evidence, Discussion Papers No. 857/2003, ETLA, Elinkeinoelämän tutkimuslaitos, pp. 16.

Koskela Erkki, von Thadden Leopold:

Optimal Factor Taxation under Wage Bargaining - A Dynamic Perspective, Working Paper No. 836, January 2003, CESifo Working Papers, Center for Economic Studies & Ifo Institute for Economic Research, Munich, Germany, pp. 32.

Koskela Erkki, Stenbacka Rune:

Profit Sharing and Unemployment: An Approach with Bargaining and Efficiency Wage Effects, Discussion Papers No. 863/2003, ETLA, Elinkeinoelämän tutkimuslaitos, pp. 28.

Lanne Markku, Liski Matti:

Trends and Breaks in per-capita Carbon Dioxide Emissions, 1870-2028, MIT CEEPR Working Paper, WP-2003-002, January 2003, Massachusetts Institute of Technology, USA, pp. 33.

Leppämäki Mikko, Mustonen Mikko:

Spence Revisited - Signalling with Externality: The Case of Open Source Programming, Discussion Paper No. 558:2003, Department of Economics, University of Helsinki, pp. 21.

## **1.2 Honours**

## **1.3 Scientific visits abroad**

Seppo Honkapohja

University of Oregon, USA, 6-8.1.2003, 2 days, research visit

University of Oregon, USA, 13-19.3.2003, 6 days, research visit

University of Oregon, USA, 11-18.9.2003, 7 days, research visit

University of Sydney, Australia, 1-14.4.2003, 13 days, research visit

Federal Reserve Bank of St. Louis, USA, 11-15.5.2003, 4 days, research visit

University of Illinois, Urbana-Champaign, USA, 6-10.11.2003, 4 days, research visit

Erkki Koskela

Virginia Polytechnic Institute and State University, Blacksburg, USA, 10-22.2.2003, 12 days, research visit

Virginia Polytechnic Institute and State University, Blacksburg, USA, 12-25.10.2003, 13 days, research visit

Pentti Saikkonen

European University Institute, Department of Economics, August 24. – November 22, 2003, 69 days, research visit

Essi Eerola

Universitat Pompeu Fabra, Spain, February 2003, 14 days, research visit

Universitat Pompeu Fabra, Spain, May 2003, 15 days, research visit

Ilkka Kiesepää

Universität Kiel, Germany, 28.-31.8., 3 days, research visit

Markku Lanne

University of Uppsala, Sweden, 10. - 13.3., 4 days, research visit

Mikko Leppämäki

ECARES (ULB), Belgium, 22.7. - 1.8., 11 days, research visit

Inka Mattila

Visitor to UNDP 1.1. - 31.12., 365 days, training visit

Tuomas Pekkarinen

University of Oxford, Nuffield College, UK, 1.10. - 31.12.2003, 92 days, research visit

Timo Seppälä

University of California, USA, 1.8. - 31.12.2003, 153 days, research visit

Juuso Vanhala

New York University, USA, 27.6. - 6.7.2003, 10 days, research visit

Timo Vesala

University of Chicago, USA, 1.1. - 15.6.2003, 166 days, research visit

Tommi Vuorenmaa

Department of Information Science/Statistics, Uppsala Universitet, Sweden, 10-14.3, 5 days, research visit

Dipartimento di Statistica "G. Parenti", Università di Firenze, Italy, 25-27.5, 3 days, research visit

Ecole Polytechnique, Centre de Mathématiques Appliquées, France, 1-3.7, 4 days, research visit

#### **1.4 Visits by foreign scholars to RUESG**

Host: Seppo Honkapohja

Evans, George W., PhD, professor, University of Oregon, USA, 7-12.6.2003, 5 days, research visit

Mitra, Kaushik, PhD, senior lecturer, University of London, Royal Holloway College, UK, 21-26.4.2003, 5 days, research visit

Mitra, Kaushik, PhD, senior lecturer, University of London, Royal Holloway College, UK, 4-9.8.2003, 5 days, research visit

Monica Merz, PhD, Professor, University of Bonn, Germany, 1-31.3.2003, 30 days, research visit

Host: Erkki Koskela

Ronnie Schöb, Professor, University of Magdeburg, Germany, 7-17.9.2003, 10 days, research visit

Host: Mikko Leppämäki

Micael Castanheira, Ph.D, researcher, ECARES, Universite Libre de Bruxelles, Belgium, May, 6 days, research visit

### **1.5 Lectures and conference presentations**

Seppo Honkapohja

"Monetary Policy, Expectations and Commitment", Annual Congress of the American Economic Association, 4.1.2003, Washington D.C., USA, international, invited lecture

"Policy Interaction, Expectations and the Liquidity Trap", Federal Reserve Bank of Atlanta Conference on "Learning and Monetary Policy", 21.3.2003, Atlanta GA, USA, international, invited lecture

"Adaptive Learning: An Introduction", 9-10.4.2003, University of Sydney, Australia, international, invited lecture

"Adaptive Learning and Monetary Policy Design", 9-10.4.2003, University of Sydney, Australia, international, invited lecture

"Adaptive Learning and Monetary Policy Design", 14.4.2003, Reserve Bank of Australia, Sydney, Australia, international, invited lecture

"Policy Interaction, Expectations and the Liquidity Trap", 15.4.2003, University of Sydney, Australia, international, invited lecture

"Policy Interaction, Expectations and Liquidity Trap", 15.5.2003, Federal Reserve Bank of St. Louis, USA, international, invited lecture

"Adaptive Learning and Monetary Policy Design", CEPR-IZA Conference "The Phillips Curve Revisited", 6.6.2003, Berlin, Germany, international, invited lecture

"Adaptive Learning and Monetary Policy Design", 26.6.2003, University of Rostock, Germany, international, invited lecture

"Policy Interaction, Expectations and the Liquidity Trap", Research seminar, 7.7.2003, University of Cambridge, UK, international, invited lecture

"Adaptive Learning: Implications for Macroeconomic Fluctuations and Policy", Society for Computational Economics Annual Congress, 12.7.2003, Seattle, USA, international, invited (plenary) lecture

"Policy Interaction, Expectations and the Liquidity Trap", European Meeting of Econometric Society, 21.-23.8.2003, Stockholm, Sweden, international, other lecture

"Adaptive Learning and Monetary Policy Design", Annual Congress of the European Economic Association, 21-23.8.2003, Stockholm, Sweden, international, other lecture

"Problems in Inflation Targeting Based on Constant Interest Rate Projections", Center for Financial Studies and Deutsche Bundesbank Conference "Expectations, Learning and Monetary Policy", 30-31.8.2003, Eltville, Germany, international, invited lecture

"Policy Interaction, Expectations and the Liquidity Trap", University of Kansas, Lawrence, USA, international, invited lecture

"Policy Interaction, Expectation and the Liquidity Trap", 9.10.2003, University of Oslo, Norway, international, invited lecture

"Policy Interaction, Expectations and the Liquidity Trap", 30.10.2003, Institute for International Economic Studies, Stockholm, Sweden, international, invited lecture

"The E-Correspondence Principle", Journal of Economic Theory Conference on Bounded Rationality and Learning, University of Illinois, Urbana-Champaign, USA 8.11.2003, invited lecture

"The Finnish Miracle", 25.11.2003, CESifo, München, Germany, international, invited lecture

Erkki Koskela

"Optimal Factor Taxation under Wage Bargaining - A Dynamic Perspective", 8.1.2003, University of Oulu, Finland, invited lecture

"Suomen nousu 1990 luvun lamasta", Tieteen Päivät, 10.1.2003, Helsinki, Finland, invited lecture

"Suomen työllisyys", Työllisyysseminaari, 20.1.2003, Helsinki, Finland, invited lecture

"Euroalueen talouspolitiikka valinkauhassa", Labour Institute for Economic Research, 24.2.2003, Helsinki, Finland, invited lecture

"The Un-Intended Convergence: How the Finnish Unemployment Reached the European Level", 10.4.2003, University of Oulu, Finland, invited lecture

"Optimal Capital Taxation under Imperfectly Competitive Labour Markets", 24.4.2003, Bank of Finland, Helsinki, Finland, invited lecture

"Optimal Factor Taxation under Wage Bargaining - A Dynamic Perspective", , 9.5.2003, CESifo, München, Germany, international, other lecture

"Profit Sharing, Credit Market Imperfections and Equilibrium Unemployment", 31.5.2003, IZA workshop, Bonn, Germany, international, other lecture

"Investment and Equilibrium Unemployment under Imperfectly Competitive Labour Markets", 22.5.2003, Bank of Finland, Helsinki, Finland, invited lecture

"Hallitusohjelma ja Suomen työttömyys", 27.5.2003, Kansantaloudellinen yhdistys, Helsinki, Finland, invited lecture

"Irreversible Investment under Interest Rate Variability: Some New Results", Third Norwegian-German seminar on Public Economics, 11.6.2003, Bank of Finland, Helsinki, Finland, invited lecture

"Optimal Capital Taxation in Economies with Unionised and Competitive Labour Markets", 20.6.2003, CESifo, München, Germany, international, other lecture

"On Forest Rotation under Interest Rate Variability", EAERE conference, 28-30.6-2003, Bilbao, Spain, international, other lecture

"Optimal Factor Taxation under Wage Bargaining - A Dynamic Perspective", ESEM, 20.8.2003, Stockholm, Sweden, international, other lecture

"Optimal Factor Taxation under Wage Bargaining - A Dynamic Perspective", Third Norwegian-German seminar on Public Economics, 26.8.2003, IIPF, Prague, Czech republic, international, other lecture

"Optimal Capital Taxation in Economies with Unionised and Competitive Labour Markets", IIPF, 26.8.2003, IIPF, Prague, Czechoslovakia, international, other lecture

"Government Size and Output Volatility: New International Evidence", IIPF, 27.8.2003, Prague, Czech republic, international, other lecture

"Investment Product Market Competition and Equilibrium Unemployment under Imperfectly Competitive Labour Markets", 11.12.2003, Bank of Finland, Helsinki, Finland, other lecture

"Optimal Factor under Wage Bargaining - A Dynamic Perspective", 10.9.2003, Bank of Finland, Helsinki, Finland, invited lecture

"Irreversible Investment under Interest Rate Variability: Some New Results", 2.10.2003, University of Oulu, Finland, invited lecture

"Un-intended Convergence: How Finnish Unemployment Reached the European Level?", 29.10.2003, Bank of Finland, Helsinki, Finland, invited lecture

"Optimaalinen metsäverotus, puun tarjonta ja Amenity-arvot", 18.11.2003, Pellervo Economic Research Institute, Helsinki, Finland, invited lecture

"The Finnish Miracle", MIT workshop, 25.11.2003, CESifo, München, Germany, international, invited lecture

"Equilibrium Unemployment under Negotiated Profit Sharing", 3.12.2003, Labours Institute for Economic Research, Helsinki, Finland, invited lecture

Pentti Saikkonen

"On mixture autoregressive models", European University Institute, Department of Economics, October 17, 2003, other lecture

"Nonlinear GARCH models for highly persistent volatility", University of Vienna, Department of Statistics, December 15, 2003, other lecture

Essi Eerola

"International Environmental Agreements: Ratification and Minimum Coalition Requirement", The XXVI Annual Meeting of Finnish Economists, February 2003, Oulu, Finland, other lecture

"International Environmental Agreements: Ratification and Minimum Coalition Requirement", 2003 Congress of environmental and resource economists, June 2003, Bilbao, Spain, international, other lecture

Eran Guse

"Expectational Business Cycles", RAKA-workshop, 6.10.2003, Kallvik, Helsinki, Finland, invited lecture

Markus Haavio

"Housing Markets and Labor Mobility", Society for Economic Dynamics, Annual Meeting, June 2003, Paris, France, international, other lecture

"Migration and the Environment: Instrument Choice Matters", European Association of Environmental and Resource Economists, Annual Meeting, June 2003, Bilbao, Spain, international, other lecture

"Housing Markets and Labor Mobility", Econometric Society European Meeting (ESEM), August 2003, Stockholm, Sweden, international, other lecture

"Housing Markets and Labor Mobility", European Association of Labour Economists, Annual Meeting, September 2003, Sevilla, Spain, international, other lecture

Maisa Halko

"Puskurirahastointi", Työttömyyskassojen tukisäätiön valtuuskunnan kokous, 24.4.2003, Finland, other lecture

"Buffer funding of unemployment insurance in a dynamic labour union model", Annual European Association of Labour Economists Conference, 18. - 21.9.2003, Sevilla, Spain, international, other lecture

"Buffer funding of unemployment insurance in a dynamic labour union model", The XXVI Annual Meeting of Finnish Economists, February 2003, Oulu, Finland, other lecture

Heikki Kauppi

"Estimating Potential Output Taking Financial Conditions into Account", Symposium of Finnish Economists, February 2003, Oulu, Finland, other lecture

"Housing Markets and Labor Mobility", European Meeting of the Econometric Society, August, Stockholm, Sweden, international, other lecture

"Power politics and EU budget: Does game theory explain EU budget shares?", 38th Panel Meeting of the Economic Policy, October, Rome, Italy, international, invited lecture

"Housing Markets and Labor Mobility", Research Seminar, CES, May, München, Germany, international, invited lecture

Markku Lanne

"Nonlinear GARCH Models for Highly Persistent Volatility", New Frontiers in Financial Volatility Modelling, 27.5., Firenze, Italy, international, other lecture

"Nonlinear GARCH models for highly persistent volatility", 24.11., Research seminar, 24.11., Center for Mathematical and Computational Modeling, University of Jyväskylä, Finland, invited lecture

"Rahoituksen ekonometria ja rahoitusmarkkinat", 29.11., University of Jyväskylä, Finland, inaugural lecture

"Nonlinear dynamics of interest rate and inflation", 16.12., 2<sup>nd</sup> Common Features Conference, Maastricht, Netherlands, international, contributed presentation

Mikko Leppämäki

"Spence revisited -signalling with externality:the case of open source programming", NORIO workshop, May, Copenhagen, Denmark, international, other lecture

"Spence revisited - signalling with externality:the case of open source programming", EALE conference, September, Sevilla, Spain, international, other lecture

Anja Mankila

"Optimal Pricing of Electricity", 28.4.2003, CMCM, University of Jyväskylä, Finland, invited lecture

Anne Mikkola

"Vaikuttaako naisten heikko asema kasvuun ja kehitykseen?", Naisekonomistien kokous, 27.5.2002, University of Helsinki, Finland, invited lecture

"Naiset maailman taloudessa", Naiset ja kansainväliset tehtävät -kurssin luento, 23.9.2003, University of Helsinki, Finland, invited lecture

Toni Nordlund

"Optimal R&D Policy Under Industry Uncertainty: A Real-options Approach", RAKA-workshop, 6.10.2003, Kallvik, Finland, other lecture

Juuso Vanhala

"Technical Change, Endogenous Reservation Wages and Job Flows", XXV The XXVI Annual Meeting of Finnish Economists, February 2003, Oulu, Finland, other lecture

Timo Vesala

"Overinvestment' vs. 'underinvestment' in education: A search-theoretic approach", FPPE research seminar, "Labor Economics seminar", 14.11. 2003, Helsinki, Finland, other lecture

"Resource Allocation in Credit Market with Pairwise Trading and Asymmetric Information", FPPE research seminar, "Microeconomics and Industrial Organization", 11. - 12.12. 2003, Helsinki, Finland, other lecture

Tommi Vuorenmaa

"A Multiresolution Analysis of Stock Market Volatility Using Wavelet Methodology", Econometrics and Computational Economics Workshop, 28 - 29.11, Helsinki, Finland, international, other lecture

## **1.6 Expert duties in journals and other publications**

Seppo Honkapohja

German Economic Review, All year, international journal, associate editor  
 Macroeconomic Dynamics, All year, international journal, associate editor  
 Scandinavian Journal of Economics, All year, international journal, associate editor  
 Journal of Economic Surveys, All year, international journal, associate editor  
 European Economics Abstract Journal, All year, international journal, associate editor  
 Review of Economic Dynamics, international journal, referee  
 Journal of Economic Behavior and Organization, international journal, referee  
 Cambridge University Press, referee for book manuscript  
 The Economic Journal, international journal, referee

Erkki Koskela

Forest Science, All year, international journal, associate editor  
 CESifo Economic Studies, All year, international journal, associate editor  
 Finnish Economic Papers, referee  
 the Scandinavian Journal of Economics, international journal, referee  
 FinanzArchiv, international journal, referee  
 Journal of Economic Dynamics and Control, international journal, referee  
 Journal of Economic Inequality, international journal, referee  
 International Tax and Public Finance, international journal, referee  
 Journal of Public Economics, international journal, referee  
 Bulletin of Economic Research, international journal, referee  
 Environmental and Resource Economics, international journal, referee  
 Economica, international journal, referee  
 Forest Science, international journal, referee  
 Journal of Forest Economics, international journal, referee  
 MIT Press, international journal, referee

Pentti Saikkonen

Econometric Theory, Co-Editor  
 Econometrics Journal, referee  
 Journal of the American Statistical Association, referee  
 Finnish Economic Papers, referee  
 Oxford Bulletin of Economics and Statistics, referee  
 Econometrica, referee  
 Journal of Econometrics, referee

Essi Eerola  
 Finnish Economic Papers, referee  
 Environmental and Resource Economics, international journal, referee

Markus Haavio  
 Environmental and Resource Economists, international journal, referee  
 Journal of Economic Behavior and Organization, international journal, referee

Marja-Liisa Halko  
 Finnish Economic Papers, Finland, referee

Heikki Kauppi  
 Finnish Economic Papers, Finland, referee  
 Forest Science, Finland, referee

Markku Lanne  
 Finnish Economic Papers, Finland, editor  
 Journal of Economic Dynamics and Control, international journal, referee  
 Journal of Applied Econometrics, international journal, referee  
 Forest Science, international journal, referee

Mikko Leppämäki  
 Journal of Economic Behavior & Organization, international journal, referee  
 Finnish Economic Journal (Kansantaloudellinen aikakauskirja), Finland, editor  
 Finnish Economic Papers, Finland, referee

### **1.7 Positions of trust in scientific societies and other organizations**

Seppo Honkapohja  
 European Economic Advisory Group, CESifo, All year, Germany, international,  
 European Economic Association, All year, international, member of council  
 CREI, Universitat Pompeu Fabra, All year, international, member of advisory board

Erkki Koskela  
 Economics Education and Research Consortium Russia –foundation and Estonia  
 Science foundation, evaluations of projects.

### **1.8 Evaluation reports for positions**

Seppo Honkapohja  
 University of Stockholm, 7.5.2003 Sweden, position: Professor  
 Helsinki School of Economics, 1.9.2003, position: Docent

## 1.9 Examinations and pre-examinations of doctoral dissertations

Seppo Honkapohja

Rainer Frey, University of Rostock, Germany 26.6.2003; examination, PhD. dissertation in economics

Erkki Koskela

Evaluation of licenciate thesis by MSocSc Elisa Riihimäki: "Economic Integration and the Elasticities of Labour Demand: Evidence from Finland", 20.5.2003; University of Helsinki, Faculty of Social Sciences

Mikko Leppämäki

Petri M.T. Parvinen: "Towards A Governance Perspective to Mergers and Acquisitions", Helsinki University of Technology. Institute of Strategy and International Business., 7.2.2003, Finland, examination PhD. dissertation in economics;

Petri Lehto: "Studies on The Restructuring of Industries with Implications to Competition Policy", University of Turku, 3.12. 2004, Finland, pre-examination, PhD. thesis in economics

## 1.10 Other scientific activity:

Seppo Honkapohja

Evaluation of Professor Bartholomew Moore, Fordham University, USA 1.1.03

Evaluation of the European Central Bank to House of Lords at England Parliament 4.6.2003

Evaluations of applications for Marie-Curie Research Training Networks 12.6.2003

Evaluation of Dr. Kaushik Mitra, Royal Holloway College, University of London, UK, 13.10.03

Evaluation of Dr. Klaus Adam, several universities, 10.11.03

Evaluation of Dr. Chryssi Giannitsarou, several universities, 12.11.03

Evaluation of Mr. Giuseppe Ferrero, several universities, 2.12.03

Erkki Koskela

Application for docentship of Helsinki School of Economics (HKKK) to DBA Marko Lindroos, 27.1.2003

## 2. Other societal duties 2003

### 2.1 Expert duties and positions of trust

Seppo Honkapohja

Monetary committee of the University of Helsinki, all year, chairman

Okopankki Oyj, Helsinki, all year, Finland, chairman of supervisory board

Economic Council of the Ministry of Finance, Helsinki, Finland, all year, member

Finnish Cultural Foundation, October – December, member of supervisory board

Finnish Academy of Sciences and letters, Auditor

Research fellow of CESifo, Munich, Germany

Research fellow of CEPR, London, UK

Erkki Koskela

Economic Council of the Ministry of Finance, Helsinki, Finland, 1.1. - 31.3., member

The Scientific Council of Pellervo Economic Research Institute, all year, chairman

Institute of International Economic Law (KATTI), Finland, all year, member

Research fellow of CESifo, Munich, Germany

Research fellow of IZA, Bonn, Germany

Docent in the departments of Economics at Universities of Oulu and Turku

Monetary committee of the University of Helsinki, vice auditor

Pharmacy of the University of Helsinki, vice auditor

Graduate School of Urban Economics of the University of Helsinki, member of executive group

Organization of FPPE workshop in Labour Economics with Dr Roope Uusitalo, 14.11.2003 (quest speaker professor Kjell Salvanes, Bergen School of Economics)

Markku Lanne

Social Sciences and Humanities Research Council of Canada, 3.2., Canada, international, expert

Heikki Kauppi

Finnish Society for Economic Research, Finland, all year, chairman,

Mikko Leppämäki

Finnish Society for Economic Research, member of executive group, April

Juuso Vanhala

Finnish Society for Economic Research, secretary-treasurer

## **2.2 Other:**

Seppo Honkapohja

Many appearances and interviews in different media.

Erkki Koskela

Columns to Talous~Sanomat and Kauppalehti,

Reports to Liikesivistysrahasto, Työsuojelurahasto, Palkansaajasäätiö, Osuuspankkiryhmän tutkimussäätiö, Konkordia-liitto, Suomi-Amerikka yhdistysten liitto, Yrjö Jahnessonin säätiö, Suomen Kulttuurirahasto, Jenny ja Antti Wihurin rahasto.

Mikko Leppämäki

Coordinator, Workshop in Microeconomics and Industrial Organization, FPPE, all year.

Heikki Kauppi

Coordinator, Research Seminar in Economics (kollokvio), Helsinki, all year.

Coordinator, Workshop in Econometrics and Computational Economics, Finnish Postgraduate Programme in Economics, all year.

Evaluator, Academy of Finland, VIKSU -competition, January 2003.

Evaluation of Finland's research capacity, ordered by CESifo, Munich, Germany, April 2003.

Tommi Vuorenmaa

Participation of Stochastic Methods in Finance, a Joint Course with the European Mathematical Society, 6 - 13.7, Bressanone/Brixen, Italy.

### **3. Degrees attained**

The following RUESG members (or former members) attained doctor's or licentiate's degree during 2003.

Eerola Essi , D.Soc.Sc. February 2003;

(supervisors: Honkapohja, Koskela; examiners: Leppämäki, Liski)

Halko Marja-Liisa, D.Soc.Sc. 13.6.2003;

(supervisors: Honkapohja, Koskela; examiners: Puhakka, Vilmunen)