

Lutz, Stefan

Working Paper

Regulatory standards can lead to predation

ZEI Working Paper, No. B 05-2005

Provided in Cooperation with:

ZEI - Center for European Integration Studies, University of Bonn

Suggested Citation: Lutz, Stefan (2005) : Regulatory standards can lead to predation, ZEI Working Paper, No. B 05-2005, Rheinische Friedrich-Wilhelms-Universität Bonn, Zentrum für Europäische Integrationsforschung (ZEI), Bonn

This Version is available at:

<https://hdl.handle.net/10419/39531>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Zentrum für Europäische Integrationsforschung
Center for European Integration Studies
Rheinische Friedrich-Wilhelms-Universität Bonn



Stefan Lutz

**Regulatory Standards Can
Lead to Predation**

Working Paper

**B 05
2005**

Regulatory Standards Can Lead to Predation

3 June 2005

Stefan Lutz*

University of Manchester and ZEI

I present a model of vertical product differentiation and exit where a domestic and a foreign firm face fixed setup costs and quality-dependent costs of production and compete in quality and price in the domestic market. Quality-dependent costs are quadratic in qualities, but independent of the quantities produced. The domestic government may impose a minimum quality standard binding for both foreign and domestic firms. In the presence of an initial cost advantage of the domestic firm, a sufficiently high minimum quality standard set by the domestic government will enable the domestic firm to induce exit of the foreign firm, i.e. to engage in predation. However, the same standard would lead to predation by the foreign firm, if the foreign firm had the initial cost advantage!

JEL classification: F12, F13, L13

Keywords: vertical product differentiation, oligopoly, trade, quality, country asymmetries

1. Introduction

This note presents a case where a minimum quality standard facilitates predation, i.e. the domestic firm is enabled to force exit of the foreign firm. For this case, I use a benchmark model of vertical product differentiation that has been extensively applied in the literature. One domestic and one foreign firm face quality-dependent product development costs and constant marginal production costs. They compete in quality and price in a single domestic market. Demand is such that an uncovered market results for all possible outcomes. Since

* Contact information: University of Manchester, School of Social Sciences, Economic Studies, Oxford Road, Manchester, M13 9PL, United Kingdom, E. stefan.lutz@manchester.ac.uk. I am also a Senior Fellow at the

increased differentiation in terms of quality decreases competition between rival products, higher quality products will coexist with lower quality products, even if both firms were identical. However, in the presence of technological differences, it is possible that high-quality products will be provided by the national industry with high costs. This results in inefficient production, since costs are increasing and convex in quality.

The basic features of the model utilized here have been well-known for some time. Gabszewicz and Thisse (1979) developed a framework for quality preferences where consumers with identical tastes but different income levels demand different quality levels. They analyzed the Cournot-duopoly equilibrium and showed its dependence on the income distribution and quality parameters. Shaked and Sutton (1982) showed that in the case of duopolists that first choose quality and then compete in price, the equilibrium will include both firms entering with distinct quality levels enjoying positive profits, *i.e.*, they demonstrated how quality differences relax price competition. Ronnen (1991) uses Shaked and Sutton's framework to demonstrate cases where quality standards improve welfare. He concludes that there exists a binding minimum quality standard such that all consumers are weakly better off, both firms have positive profits, and total welfare is increased. Our model is based on the framework of Shaked/Sutton and Ronnen.¹ As in Ronnen, the effects of quality standards on industry competition are primarily driven by their influence on price competition and the qualities produced. Due to the duopoly situation and the nature of price and quality competition, an unregulated equilibrium results in qualities being too low, prices being too high and quality differentiation being too low when compared to a welfare-maximizing

Center for European Integration Studies (ZEI), Bonn. I am thankful to Jim Gaisford for suggesting to me the possibility of predation induced by trade regulation.

¹ See also Lutz (2000), Lutz, et.al. (2000), and Lutz/Baliamoune-Lutz (2003). Related research on the effects of minimum quality standards has been forwarded, e.g., by Das/Donnenfeld (1989), Boom (1995), Crampes/Hollander (1995) Ecchia/Lambertini (1997), Constatatos/Perrakis (1998), Scarpa (1998), Valletti (2000), Jinji/Toshimitsu (2004).

solution. When qualities produced become more similar, price competition intensifies. In response to a quality standard that is binding for the low-quality producer, qualities rise, quality differentiation is reduced, and prices adjusted for quality fall. High quality rises also because qualities are strategic complements due to the effect of quality differentiation on price competition. Reduced quality differentiation results because increasing quality is increasingly costly. With a high standard, profits of both firms are reduced or one firm is forced out of the market.²

In the case presented, a more efficient domestic firm and a less efficient foreign firm operate in a single domestic market. The foreign firm initially produces and sells a product of higher quality. This initial situation could be the outcome of the foreign firm being longer in the market than the domestic firm, so that the foreign firm operated as a Stackelberg-leader towards the domestic firm in the past. Since the domestic firm could make monopoly profits if it was alone in the market, there is an incentive for the domestic government to facilitate this outcome by some policy. In the absence of a facilitating policy (or a prohibitive entry cost), however, the domestic firm cannot credibly prevent entry or effect exit of the foreign firm, since the current outcome represents a Nash-equilibrium. We show that the domestic government can choose a standard such that the domestic firm: (1) cannot have nonnegative profits as the low-quality firm; and (2) can set a quality such that the foreign firm cannot have nonnegative profits as either the low-quality or the high-quality firm; and (3) domestic welfare is increased. Hence, the standard facilitates predation by the domestic firm, i.e. forcing exit of the foreign competitor.³

² Related research on entry/exit has been forwarded, e.g., by Hung/Schmitt (1988), Donnenfeld/Weber (1995, 1992), Lutz (1997), and Siebert (2003).

³ This could also be interpreted as a quality reversal induced by the standard. Quality reversals in a vertical product differentiation framework have been previously addressed by Herguera/Kujal/Petrakis (1995, 2001), Motta/Thisse/Cabrales (1997), and Herguera/Lutz (1996, 1998, 2002).

2. The Model

There are two firms, the domestic firm d and the foreign firm f , both competing in the domestic market. If both firms remain in the market, then they produce distinct goods, sold at prices p_d and p_f , respectively. The two products carry a single quality attribute denoted by s_d and s_f , respectively. Either firm faces production costs that are increasing, convex (quadratic) functions of quality, the exact level of which depending on quality chosen and a quality cost parameter b . Total costs of firm i are then:

$$c_i = b_i s_i^2 \quad (1)$$

In the domestic market, there is a continuum of consumers distributed uniformly over the interval $[0, T]$ with unit density. Each consumer purchases at most one unit of either firm d 's product or firm f 's product. The higher a consumer's income parameter t , the higher is her (his) reservation price. Consumer t 's utility is given by equation (2) if good i is purchased.⁴

Consumers who do not purchase receive zero utility.

$$u_t = s_i t - p_i \quad (2)$$

Firms d and f play a two-stage game⁵. In the first stage, firms determine qualities to be produced and incur costs c_i ($i = d, f$). In the second stage, firms choose prices simultaneously.⁶

⁴ Consumers who do not purchase receive zero utility.

⁵In this formulation, firm i not entering the market is equivalent to firm i choosing $s_i = 0$. The entry decision by firms is made simultaneously when choosing quality.

⁶To derive solutions, we will use the concept of subgame-perfect equilibrium, computing the solutions for each stage in reverse order. Both firms choose their respective product quality from the same interval $[0, \infty)$. The resulting market equilibria will include some consumers in the lower segment of the interval $[0, t]$ not valuing quality enough to buy any product. This guarantees an interior solution of the price game.

Price Competition

To solve the game, consider first the demand faced by the high-quality and low-quality firm, respectively. Let h and o stand for high and low quality, respectively. These demands are then given by:⁷

$$q_h = T - \left(\frac{p_h - p_o}{s_h - s_o} \right), \quad q_o = \frac{p_h - p_o}{s_h - s_o} - \frac{p_o}{s_o} \quad (3)$$

Let $i = h, o$; let $j \neq i$. The profit function for firm i is given by $\Pi_i = p_i q_i(p_i, p_j, s_i, s_j) - c_i(s_i)$. Taken both qualities as given, the price reaction functions in each market are given as the solutions to the first order conditions. Solving the resulting equations for both prices, equilibrium prices are then given as:

$$p_h = \frac{2Ts_h(s_h - s_o)}{4s_h - s_o}, \quad p_o = \frac{T(s_h - s_o)s_o}{4s_h - s_o} \quad (4)$$

Note that for all $s_h > s_o$, $T > t_h > t_o > 0$ will hold, *i.e.*, equation (4) is in fact an unconstrained price equilibrium.

Given the price equilibrium depicted above, demands and thus profits can be expressed in terms of qualities. For positive qualities s_i ($i = h, o$), these profit functions are:

$$\Pi_h = \frac{4T^2 s_h^2 (s_h - s_o)}{(4s_h - s_o)^2} - b_h s_h^2 \quad (5a) \quad \Pi_o = \frac{T^2 s_h (s_h - s_o) s_o}{(4s_h - s_o)^2} - b_o s_o^2 \quad (5b)$$

Similarly, consumer surplus⁸ can be expressed in the following way:

$$CS = \frac{T^2 s_h^2 (4s_h + 5s_o)}{2(-4s_h + s_o)^2} \quad (6)$$

⁷Let $t_h = (p_h - p_o)/(s_h - s_o)$ and $t_o = p_o/s_o$. Consumers with $t = p_o/s_o$ will be indifferent between buying the low-quality product and not buying at all. Consumers with $t = (p_h - p_o)/(s_h - s_o)$ will be indifferent between buying either the high-quality or the low-quality product. Consumers with $T \geq t > t_h$ will buy high quality, consumers with $t_h > t > t_o$ will buy low quality, and consumers with $t < p_o/s_o$ will not buy at all.

⁸Consumer surplus is defined as $\{\int (t^* s_h - p_h) dt + \int (t^* s_o - p_o) dt\}$ where the first integral goes from t_h to T and the second goes from t_o to t_h .

Quality Competition

To derive the firms' quality best responses, we investigate each firm's profit function, given the other firm's quality choice, and taking into account the behavior in the price-setting subgame. Given the order of qualities, the profit functions in equations (5) are concave in the respective firm's own quality. The profit-maximizing choices form a Nash-equilibrium in qualities, where both marginal profit functions evaluate to zero. The first order conditions for the high and low quality firm, respectively, are then given as:

$$4T^2 s_h (4s_h^2 - 3s_h s_o + 2s_o^2) / (4s_h - s_o)^3 = 2b_h s_h$$

$$T^2 s_h^2 (4s_h - 7s_o) / (4s_h - s_o)^3 = 2b_o s_o \quad (7)$$

From the properties of the revenue functions and the slopes of the quality best responses depicted in the Appendix, it is easy to see that the two qualities are strategic complements. Furthermore, a forced increase of the low quality will reduce product differentiation and increase price competition.

The resulting equilibrium qualities for identical firms (i.e. $b_h = b_o = b$) are then:⁹

$$s_h = 0.126655 T^2 / b \text{ and } s_o = 0.0241192 T^2 / b$$

However, for our example, we assume the low-quality producing home firm to have a cost advantage such that $b_h = 1.5 b_o = 1.5 b$.¹⁰ Hence, the resulting equilibrium is¹¹

$$s_h = 0.08533 T^2 / b \text{ and } s_o = 0.02133 T^2 / b \quad (8)$$

⁹The exact procedure to find the analytical solution is described in the Appendix. Note that t^2/b enters in a multiplicative way and therefore does not affect the calculations.

¹⁰Of course, the parameter choice for the cost advantage is arbitrary. However, the qualitative result prevails as long as an initial unregulated equilibrium exists where the low-cost firm offers low quality.

¹¹It is easy to check that the domestic firm has no incentive to provide high quality given the foreign firm's quality in equation (7). This is done by calculating the domestic firm's profits as high-quality firm given that low quality is equal to the foreign firm's quality in (7) and maximizing with respect to quality.

Due to the foreign high-quality firm's cost disadvantage, its quality is now substantially lower than in the symmetric case. Therefore, the home firm's quality is lower, too. However, since the home firm has a cost advantage, quality differentiation is lower.

The resulting domestic Welfare and Profit are:

$$W_d = 0.00978 T^4 / b \text{ and } \Pi_O = 0.00068 T^4 / b \quad (9)$$

To keep the following example simple, we assume that both firms have to incur costs of providing quality per period, i.e. the quality chosen in the period before does not matter.

3. A Quality Standard Facilitating Predation

In this section, we will develop a case where the domestic government can increase welfare as well as domestic profits by an appropriately chosen standard which will induce the domestic firm to choose a quality higher than its initial quality and the formerly chosen foreign quality while the foreign firm is induced to exit the market. Hence, this is a case of policy-induced predation.

The domestic government chooses a standard such that the following conditions are satisfied:

- 1) The domestic firm cannot make positive profits as the low-quality firm.
- 2) The domestic firm can choose a quality such that the foreign firm cannot have positive profits as either the low-quality firm or the high-quality firm.
- 3) Domestic welfare and profits are increased.

Condition 1) requires a standard greater than or equal to the quality level at which the domestic low-cost firm makes zero profits given that the foreign high-cost firm provides high quality at its quality best response. This requires that the standard s_m be set such that $s_m \geq 0.04275 T^2/b$. (All calculations are shown in the Appendix.)

Given such a standard, entry by the foreign firm is effectively blockaded. This means that the domestic firm can set its uncontested monopoly choice $s_d = 0.125 T^2/b$ at which Condition 2)

is satisfied. This is verified by calculating the foreign firm's best response profits as the low-cost firm and the high-cost firm, respectively, setting the other quality equal to $0.125 T^2/b$.

Both calculations yield negative results.

Condition 3) is also satisfied as can be seen by calculating domestic welfare and profits given $s_d = 0.125 T^2/b$ and $s_f = 0$. The result is summarized below.

$$s_m = 0.04275 T^2/b, s_d = 0.125 T^2/b, W_d = 0.03125 T^4/b \text{ and } \Pi_d = 0.015625 T^4/b \quad (10)$$

Since welfare is the sum of consumer surplus and profits, we can see immediately that domestic consumer surplus rises.¹² Since the foreign firm cannot make profits, the foreign country as a whole is worse off. This means that the policy includes international profit-shifting and can therefore be qualified as strategic trade policy.

5. Foreign Domination Instead of Domestic Predation

If the domestic firm has a cost advantage, a quality standard that is set "too low", i.e. too close to the low-quality level without regulation, may lead to a situation where the foreign firm can only survive as the high-quality supplier in the market. Given enough time and without a persistence of quality leadership, this could lead to a quality reversal where the domestic industry is not driven out of the market, but ends up as the low-quality supplier despite of its cost advantage.

Let the home cost advantage be again such that $b_o = 1.5 b_h = 1.5 b$. Be minimum quality standard greater than or equal to $0.0349322 T^2/b$, but not much greater than that, will remove the foreign firm's ability to make profits as a low-quality supplier.¹³ Consequently, only one Nash-equilibrium remains once the one-shot market game is played again. This will be the

¹²However, although quality sold rises, not all consumers win since market coverage is reduced.

¹³ The critical value for the standard is calculated by simultaneously solving the first-order condition for the high-quality firm with $b_h=b$ and the zero-profit condition for the low-quality firm with $b_o=1.5 b$ for s_h and s_o .

one with the foreign firm providing high quality despite, or here because, of its cost disadvantage.

5. When the Standard Invites Foreign Predation

If the foreign firm has the cost advantage rather than the domestic firm, then the domestic standard would lead to predation by the foreign firm and exit of the domestic firm. This follows immediately by analogy from the arguments presented in the previous section. Note, though, that domestic welfare would still rise since the increase in consumer surplus would be higher than losing the domestic firm's low-quality profits.

To illustrate this, assume for simplicity (and without much loss of generality) that the foreign firm has an advantage such that $b_h = 1.5 b_o = 1.5 b$. Note that again, the domestic firm provides low quality. Now the same minimum quality standards enables the foreign firm to set monopoly quality while the domestic firm's best response is to exit. The resulting situation is summarized as:

$$s_m = 0.04275 T^2/b, s_f = 0.125 T^2/b, W_d = CS_d = 0.015625 T^4/b \text{ and } \Pi_d = s_d = 0 \quad (11)$$

Still domestic welfare could be improved by the standard, but at the cost of market exit of the domestic industry.

6. Discussion

The purpose of the case shown above is to illustrate that domestic policies such as standards might have strategic trade effects that are not marginal but entail a complete restructuring of the international market in question. In the case presented, a standard that was nonbinding for the foreign firm ultimately lead to the exit of the foreign firm. This standard also enabled the domestic firm to act exactly like a monopolist without the threat of further entry. In doing this, the domestic firm chose a quality that was not bound by the standard, higher than the quality it

would have chosen without a standard, and higher than the quality the foreign firm would have chosen without the standard.

However, we do not generally argue for the application of such policies, even if they lead to welfare increases for the domestic country. On the contrary, policy makers should simply be aware of the possibility of rather radical and detrimental effects of domestic policies. The possibility of predation arises generally when a policy leads to negative profits for some subset of an industry's best response choices. In addition, the final effects of such a policy and the resulting predation are rather sensitive to the exact standard chosen as well as to the magnitude and direction of cost differences between competing industries.

Appendix

(All calculations are available upon request.)

Properties of the Revenue Functions

Let R_i denote firm i 's revenue function. Let h and o denote high and low quality, respectively.

$$\frac{\partial R_h}{\partial s_h} \geq 0; \quad \frac{\partial R_o}{\partial s_o} \geq 0 \text{ for } s_o \leq \frac{4s_h}{7}; \quad \frac{\partial R_h}{\partial s_o} < 0, \quad \frac{\partial R_o}{\partial s_h} > 0;$$

$$\frac{\partial^2 R_h}{\partial s_h^2} \leq 0; \quad \frac{\partial^2 R_o}{\partial s_o^2} \leq 0; \quad \frac{\partial^2 R_h}{\partial s_h \partial s_o} > 0; \quad \frac{\partial^2 R_o}{\partial s_o \partial s_h} > 0.$$

Slopes of Firms' Quality Best Responses

The slopes of the high and low quality firms' quality best responses can be calculated (using the implicit function theorem) as $ds_i/ds_j = -(\partial(\partial\Pi_i/\partial s_i)/\partial s_j)/(\partial(\partial\Pi_i/\partial s_i)/\partial s_i)$, where i is either high or low quality and j is the other quality. Both slopes are positive, but less than one.

Properties of the Consumer Surplus Functions

Let CS_I ($I = D, F$) denote region I's consumer surplus function. Firms' qualities are denoted by s_h and s_o for high and low quality, respectively.

$$\frac{\partial CS_I}{\partial s_h} > 0 \text{ for } s_o < \frac{4s_h}{5}; \quad \frac{\partial CS_I}{\partial s_o} > 0; \quad \frac{\partial^2 CS_I}{\partial s_h^2} > 0; \quad \frac{\partial^2 CS_I}{\partial s_o^2} > 0; \quad \frac{\partial^2 CS_I}{\partial s_o \partial s_h} < 0.$$

Calculation Procedure for the Quality Equilibria in Section 2

Divide the first order conditions given in (7), rearrange and write $s_h = r s_o$ and $b_o = a b_h$ to obtain:

$$\frac{4(2 - 3r + 4r^2)}{4r^2 - 7r} = \frac{r}{a}$$

For $a=1$ (i.e. $b_h = b_o = b$) $r = 5.25123$ while for $a=2/3$ (i.e. $b_h = 1.5 b_o = 1.5 b$) $r = 4.0$. Using r to express s_h in terms of s_o and substituting for s_h in the first equation of (7) allows for calculating the equilibrium qualities for any given value of T and b . (However, the ratio of cost parameters a must be fixed.)

Calculations for the Case of Section 3

Calculation of a standard such that the domestic firm makes zero-profits as low-quality provider. The standard would bind the domestic firm. Take equations (5a) and (5b) with ($b_h = 1.5 b$, $b_o = b$). Solve simultaneously:

$$\{\partial \Pi_h / \partial s_h = 0 \text{ and } \Pi_o = 0\} \text{ to obtain } \{s_h = 0.091728 T^2/b, s_o = 0.0427526 T^2/b\}$$

In this solution, s_o represents the binding standard on the domestic firm.

Calculation of the uncontested monopoly choice of the domestic firm. Take equation (5a) with ($b_h = 1$, $s_o = 0$). Solve:

$$\partial \Pi_h / \partial s_h = 0 \text{ to obtain } s_h = 0.125 T^2/b$$

Here, s_h is the uncontested monopoly choice of the domestic firm.

Given the domestic firm's quality choice in equation (A.5b), the calculations below show that the foreign firm cannot make positive profits.

Take equation (5a) with ($b_h = 1.5 b$). Solve simultaneously:

$$\{\partial \Pi_h / \partial s_h = 0 \text{ and } \Pi_h = 0\} \text{ to obtain } \{s_h = 0.0972222 T^2/b, s_o = 0.0555556 T^2/b\}$$

In this solution, s_o represents the minimum domestic quality such that the foreign firm cannot make positive profits as the high-quality provider. This quality is less than the chosen domestic quality of $0.125 T^2/b$.

Take equation (5b) with ($b_o = 1.5 b, s_h = 0.125 T^2/b$). Solve:

$$\Pi_o = 0 \text{ to obtain } s_o = 0.034746 T^2/b$$

This solution represents the maximum foreign quality such that the foreign firm can make nonnegative profits as the low-quality provider. It is less than the standard of $0.0427526 T^2/b$.

Literature

- Boom, A. (1995). "Asymmetric International Minimum Quality Standards and Vertical Differentiation," Journal of Industrial Economics, Vol. 43(1), pp. 101-119.
- Crampes, C. and A. Hollander (1995). "Duopoly and Quality Standards," European Economic Review, Vol. 39, pp. 71-82.
- Constantatos, C. and S. Perrakis (1998). "Minimum Quality Standards, Entry and the Timing of the Quality Decision," Journal of Regulatory Economics, Vol. 13(1), pp. 47-58.
- Das, S. P. and S. Donnenfeld (1989). "Oligopolistic Competition and International Trade: Quantity and Quality Restrictions," Journal of International Economics, Vol. 27(3-4), pp. 299-318.
- Donnenfeld, S. and S. Weber (1995). "Limit Qualities and Entry Deterrence," Rand Journal of Economics, Vol. 26(1), pp. 113-130.
- ___ (1992). "Vertical Product Differentiation With Entry," International Journal of Industrial Organization, Vol. 10, pp. 449-472.

- Ecchia, G. and L. Lambertini (1997). "Minimum Quality Standards and Collusion," Journal of Industrial Economics, Vol. 45(1), pp. 101-113.
- Gabszewicz, J. J. and J.-F. Thisse (1979). "Price Competition, Quality and Income Disparities," Journal of Economic Theory, Vol. 20, pp. 340-359.
- Herguera, I., Kujal, P. and E. Petrakis (2002). "Tariffs, quality reversals and exit in vertically differentiated industries," Journal of International Economics, Vol. 58, pp. 467-492.
- Herguera, I., Kujal, P. and E. Petrakis (1995). "Endogenous Quality, Non-Credible Policies and Leapfrogging," mimeo., Universidad Carlos III de Madrid.
- Herguera, I. and S. Lutz (2001). "Protection by Regulatory Standards: An Example With Forced Exit," Naukovi Zapysky – Ekonomiki, Vol. 19, pp. 18-22.
- Herguera, I. and S. Lutz (1998). "Oligopoly and Quality Leapfrogging," The World Economy, Vol. 21(1), pp. 75-94.
- Herguera, I. and S. Lutz (1996). "Minimum Quality Standards as Facilitating Devices: An Example With Leapfrogging and Exit," CEPR Discussion Paper No. 1384.
- Hung, N. M. and N. Schmitt (1988). "Quality Competition and Threat of Entry in Duopoly," Economics Letters, Vol. 27, pp. 287-292.
- Jinji, N. and T. Toshimitsu (2004). "Minimum Quality Standards Under Asymmetric Duopoly with Endogenous Quality Ordering: A Note," Journal of Regulatory Economics, Vol. 26(2), pp. 189ff.
- Johnson, J. P. and D. P. Myatt (2003). "Multiproduct Quality Competition: Fighting Brands and Product Line Pruning," American Economic Review, Vol. 93(3), pp. 748-774.
- Lehmann-Grube, U. (1997). "Strategic Choice of Quality when Quality is Costly – The Persistence of the High Quality Advantage," Rand Journal of Economics, Vol. 28(2), pp. 372-384.
- Lutz, S. and M. Balamoune-Lutz (2003). "Mutual Recognition of National Minimum Quality Standards may Support International Convergence," Journal of Industry, Competition and Trade, Vol. 3(4), pp. 293-311.

- Lutz, S. (2000). "Trade Effects of Minimum Quality Standards with and without Deterred Entry," Journal of Economic Integration, Vol. 15(2), pp. 314-344.
- Lutz, S. (1997). "Vertical Product Differentiation and Entry Deterrence," Journal of Economics, Vol. 65(1), pp. 79-102.
- Lutz, S., Lyon, T. P. and John W. Maxwell (2000). "Quality Leadership when Regulatory Standards are forthcoming," Journal of Industrial Economics, Vol. 48(3), pp. 331-344.
- Maxwell, J. W. (1998). "Minimum Quality Standards as a Barrier to Innovation," Economics Letters, Vol. 58, pp. 335-360.
- Motta, M., Thisse, J.-F. and A. Cabrales (1997). "On the Persistence of Leadership or Leapfrogging in International Trade," International Economic Review, Vol. 38(4), pp. 809-24.
- Ronnen, U. (1991). "Minimum Quality Standards, Fixed Costs, and Competition," Rand Journal of Economics, Vol. 22(4), pp. 490-504.
- Scarpa, C. (1998). "Minimum Quality Standards With More Than Two Firms," International Journal of Industrial Organization, Vol. 16(5), pp. 665-676
- Shaked, A. and J. Sutton (1982). "Relaxing Price Competition Through Product Differentiation," Review of Economic Studies, Vol. 49, pp. 3-13.
- Siebert, R. (2003). "Credible Vertical Preemption," CEPR Discussion Paper No. 4089.
- Valletti, T. M. (2000). "Minimum Quality Standards Under Cournot Competition," Journal of Regulatory Economics, Vol. 18(3), pp. 235-245.

2008		
B01-08	Euro-Diplomatie durch gemeinsame „Wirtschaftsregierung“	<i>Martin Seidel</i>
2007		
B03-07	Löhne und Steuern im Systemwettbewerb der Mitgliedstaaten der Europäischen Union	<i>Martin Seidel</i>
B02-07	Konsolidierung und Reform der Europäischen Union	<i>Martin Seidel</i>
B01-07	The Ratification of European Treaties - Legal and Constitutional Basis of a European Referendum.	<i>Martin Seidel</i>
2006		
B03-06	Financial Frictions, Capital Reallocation, and Aggregate Fluctuations	<i>Jürgen von Hagen, Haiping Zhang</i>
B02-06	Financial Openness and Macroeconomic Volatility	<i>Jürgen von Hagen, Haiping Zhang</i>
B01-06	A Welfare Analysis of Capital Account Liberalization	<i>Jürgen von Hagen, Haiping Zhang</i>
2005		
B11-05	Das Kompetenz- und Entscheidungssystem des Vertrages von Rom im Wandel seiner Funktion und Verfassung	<i>Martin Seidel</i>
B10-05	Die Schutzklauseln der Beitrittsverträge	<i>Martin Seidel</i>
B09-05	Measuring Tax Burdens in Europe	<i>Guntram B. Wolff</i>
B08-05	Remittances as Investment in the Absence of Altruism	<i>Gabriel González-König</i>
B07-05	Economic Integration in a Multicore World?	<i>Christian Volpe Martinicus, Jennifer Pédussel Wu</i>
B06-05	Banking Sector (Under?)Development in Central and Eastern Europe	<i>Jürgen von Hagen, Valeriya Dinger</i>
B05-05	Regulatory Standards Can Lead to Predation	<i>Stefan Lutz</i>
B04-05	Währungspolitik als Sozialpolitik	<i>Martin Seidel</i>
B03-05	Public Education in an Integrated Europe: Studying to Migrate and Teaching to Stay?	<i>Panu Poutvaara</i>
B02-05	Voice of the Diaspora: An Analysis of Migrant Voting Behavior	<i>Jan Fidrmuc, Orla Doyle</i>
B01-05	Macroeconomic Adjustment in the New EU Member States	<i>Jürgen von Hagen, Iulia Traistaru</i>
2004		
B33-04	The Effects of Transition and Political Instability On Foreign Direct Investment Inflows: Central Europe and the Balkans	<i>Josef C. Brada, Ali M. Kutan, Tanner M. Yigit</i>
B32-04	The Choice of Exchange Rate Regimes in Developing Countries: A Multinomial Panel Analysis	<i>Jürgen von Hagen, Jizhong Zhou</i>
B31-04	Fear of Floating and Fear of Pegging: An Empirical Analysis of De Facto Exchange Rate Regimes in Developing Countries	<i>Jürgen von Hagen, Jizhong Zhou</i>
B30-04	Der Vollzug von Gemeinschaftsrecht über die Mitgliedstaaten und seine Rolle für die EU und den Beitrittsprozess	<i>Martin Seidel</i>
B29-04	Deutschlands Wirtschaft, seine Schulden und die Unzulänglichkeiten der einheitlichen Geldpolitik im Eurosystem	<i>Dieter Spethmann, Otto Steiger</i>
B28-04	Fiscal Crises in U.S. Cities: Structural and Non-structural Causes	<i>Guntram B. Wolff</i>
B27-04	Firm Performance and Privatization in Ukraine	<i>Galyna Grygorenko, Stefan Lutz</i>
B26-04	Analyzing Trade Opening in Ukraine: Effects of a Customs Union with the EU	<i>Oksana Harbuzyuk, Stefan Lutz</i>
B25-04	Exchange Rate Risk and Convergence to the Euro	<i>Lucjan T. Orlowski</i>
B24-04	The Endogeneity of Money and the Eurosystem	<i>Otto Steiger</i>
B23-04	Which Lender of Last Resort for the Eurosystem?	<i>Otto Steiger</i>
B22-04	Non-Discretionary Monetary Policy: The Answer for Transition Economies?	<i>Elham-Mafi Kreft, Steven F. Kreft</i>
B21-04	The Effectiveness of Subsidies Revisited: Accounting for Wage and Employment Effects in Business R+D	<i>Volker Reinthaler, Guntram B. Wolff</i>
B20-04	Money Market Pressure and the Determinants of Banking Crises	<i>Jürgen von Hagen, Tai-kuang Ho</i>
B19-04	Die Stellung der Europäischen Zentralbank nach dem Verfassungsvertrag	<i>Martin Seidel</i>

B18-04	Transmission Channels of Business Cycles Synchronization in an Enlarged EMU	<i>Iulia Traistaru</i>
B17-04	Foreign Exchange Regime, the Real Exchange Rate and Current Account Sustainability: The Case of Turkey	<i>Sübidey Togan, Hasan Ersel</i>
B16-04	Does It Matter Where Immigrants Work? Traded Goods, Non-traded Goods, and Sector Specific Employment	<i>Harry P. Bowen, Jennifer Pédussel Wu</i>
B15-04	Do Economic Integration and Fiscal Competition Help to Explain Local Patterns?	<i>Christian Volpe Martincus</i>
B14-04	Euro Adoption and Maastricht Criteria: Rules or Discretion?	<i>Jiri Jonas</i>
B13-04	The Role of Electoral and Party Systems in the Development of Fiscal Institutions in the Central and Eastern European Countries	<i>Sami Yläoutinen</i>
B12-04	Measuring and Explaining Levels of Regional Economic Integration	<i>Jennifer Pédussel Wu</i>
B11-04	Economic Integration and Location of Manufacturing Activities: Evidence from MERCOSUR	<i>Pablo Sanguinetti, Iulia Traistaru, Christian Volpe Martincus</i>
B10-04	Economic Integration and Industry Location in Transition Countries	<i>Laura Resmini</i>
B09-04	Testing Creditor Moral Hazard in Sovereign Bond Markets: A Unified Theoretical Approach and Empirical Evidence	<i>Ayse Y. Evrensel, Ali M. Kutan</i>
B08-04	European Integration, Productivity Growth and Real Convergence	<i>Taner M. Yigit, Ali M. Kutan</i>
B07-04	The Contribution of Income, Social Capital, and Institutions to Human Well-being in Africa	<i>Mina Baliamoune-Lutz, Stefan H. Lutz</i>
B06-04	Rural Urban Inequality in Africa: A Panel Study of the Effects of Trade Liberalization and Financial Deepening	<i>Mina Baliamoune-Lutz, Stefan H. Lutz</i>
B05-04	Money Rules for the Eurozone Candidate Countries	<i>Lucjan T. Orłowski</i>
B04-04	Who is in Favor of Enlargement? Determinants of Support for EU Membership in the Candidate Countries' Referenda	<i>Orla Doyle, Jan Fidrmuc</i>
B03-04	Over- and Underbidding in Central Bank Open Market Operations Conducted as Fixed Rate Tender	<i>Ulrich Bindseil</i>
B02-04	Total Factor Productivity and Economic Freedom Implications for EU Enlargement	<i>Ronald L. Moomaw, Euy Seok Yang</i>
B01-04	Die neuen Schutzklauseln der Artikel 38 und 39 des Beitrittsvertrages: Schutz der alten Mitgliedstaaten vor Störungen durch die neuen Mitgliedstaaten	<i>Martin Seidel</i>
2003		
B29-03	Macroeconomic Implications of Low Inflation in the Euro Area	<i>Jürgen von Hagen, Boris Hofmann</i>
B28-03	The Effects of Transition and Political Instability on Foreign Direct Investment: Central Europe and the Balkans	<i>Josef C. Brada, Ali M. Kutan, Taner M. Yigit</i>
B27-03	The Performance of the Euribor Futures Market: Efficiency and the Impact of ECB Policy Announcements (Electronic Version of International Finance)	<i>Kerstin Bernoth, Juergen von Hagen</i>
B26-03	Sovereign Risk Premia in the European Government Bond Market (überarbeitete Version zum Herunterladen)	<i>Kerstin Bernoth, Juergen von Hagen, Ludger Schulknecht</i>
B25-03	How Flexible are Wages in EU Accession Countries?	<i>Anna Iara, Iulia Traistaru</i>
B24-03	Monetary Policy Reaction Functions: ECB versus Bundesbank	<i>Bernd Hayo, Boris Hofmann</i>
B23-03	Economic Integration and Manufacturing Concentration Patterns: Evidence from Mercosur	<i>Iulia Traistaru, Christian Volpe Martincus</i>
B22-03	Reformzwänge innerhalb der EU angesichts der Osterweiterung	<i>Martin Seidel</i>
B21-03	Reputation Flows: Contractual Disputes and the Channels for Inter-Firm Communication	<i>William Pyle</i>
B20-03	Urban Primacy, Gigantism, and International Trade: Evidence from Asia and the Americas	<i>Ronald L. Moomaw, Mohammed A. Alwosabi</i>
B19-03	An Empirical Analysis of Competing Explanations of Urban Primacy Evidence from Asia and the Americas	<i>Ronald L. Moomaw, Mohammed A. Alwosabi</i>

B18-03	The Effects of Regional and Industry-Wide FDI Spillovers on Export of Ukrainian Firms	<i>Stefan H. Lutz, Oleksandr Talavera, Sang-Min Park</i>
B17-03	Determinants of Inter-Regional Migration in the Baltic States	<i>Mihails Hazans</i>
B16-03	South-East Europe: Economic Performance, Perspectives, and Policy Challenges	<i>Iulia Traistaru, Jürgen von Hagen</i>
B15-03	Employed and Unemployed Search: The Marginal Willingness to Pay for Attributes in Lithuania, the US and the Netherlands	<i>Jos van Ommeren, Mihails Hazans</i>
B14-03	FICs and Economic Activity: Some International Evidence	<i>Charles Goodhart, Boris Hofmann</i>
B13-03	The IS Curve and the Transmission of Monetary Policy: Is there a Puzzle?	<i>Charles Goodhart, Boris Hofmann</i>
B12-03	What Makes Regions in Eastern Europe Catching Up? The Role of Foreign Investment, Human Resources, and Geography	<i>Gabriele Tondl, Goran Vuksic</i>
B11-03	Die Weisungs- und Herrschaftsmacht der Europäischen Zentralbank im europäischen System der Zentralbanken - eine rechtliche Analyse	<i>Martin Seidel</i>
B10-03	Foreign Direct Investment and Perceptions of Vulnerability to Foreign Exchange Crises: Evidence from Transition Economies	<i>Josef C. Brada, Vladimír Tomsík</i>
B09-03	The European Central Bank and the Eurosystem: An Analysis of the Missing Central Monetary Institution in European Monetary Union	<i>Gunnar Heinsohn, Otto Steiger</i>
B08-03	The Determination of Capital Controls: Which Role Do Exchange Rate Regimes Play?	<i>Jürgen von Hagen, Jizhong Zhou</i>
B07-03	Nach Nizza und Stockholm: Stand des Binnenmarktes und Prioritäten für die Zukunft	<i>Martin Seidel</i>
B06-03	Fiscal Discipline and Growth in Euroland. Experiences with the Stability and Growth Pact	<i>Jürgen von Hagen</i>
B05-03	Reconsidering the Evidence: Are Eurozone Business Cycles Converging?	<i>Michael Massmann, James Mitchell</i>
B04-03	Do Ukrainian Firms Benefit from FDI?	<i>Stefan H. Lutz, Oleksandr Talavera</i>
B03-03	Europäische Steuerkoordination und die Schweiz	<i>Stefan H. Lutz</i>
B02-03	Commuting in the Baltic States: Patterns, Determinants, and Gains	<i>Mihails Hazans</i>
B01-03	Die Wirtschafts- und Währungsunion im rechtlichen und politischen Gefüge der Europäischen Union	<i>Martin Seidel</i>
2002		
B30-02	An Adverse Selection Model of Optimal Unemployment Assurance	<i>Marcus Hagedorn, Ashok Kaul, Tim Mennel</i>
B29B-02	Trade Agreements as Self-protection	<i>Jennifer Pédussel Wu</i>
B29A-02	Growth and Business Cycles with Imperfect Credit Markets	<i>Debajyoti Chakrabarty</i>
B28-02	Inequality, Politics and Economic Growth	<i>Debajyoti Chakrabarty</i>
B27-02	Poverty Traps and Growth in a Model of Endogenous Time Preference	<i>Debajyoti Chakrabarty</i>
B26-02	Monetary Convergence and Risk Premiums in the EU Candidate Countries	<i>Lucjan T. Orłowski</i>
B25-02	Trade Policy: Institutional Vs. Economic Factors	<i>Stefan Lutz</i>
B24-02	The Effects of Quotas on Vertical Intra-industry Trade	<i>Stefan Lutz</i>
B23-02	Legal Aspects of European Economic and Monetary Union	<i>Martin Seidel</i>
B22-02	Der Staat als Lender of Last Resort - oder: Die Achillesverse des Eurosystems	<i>Otto Steiger</i>
B21-02	Nominal and Real Stochastic Convergence Within the Transition Economies and to the European Union: Evidence from Panel Data	<i>Ali M. Kutan, Taner M. Yigit</i>
B20-02	The Impact of News, Oil Prices, and International Spillovers on Russian Financial Markets	<i>Bernd Hayo, Ali M. Kutan</i>

B19-02	East Germany: Transition with Unification, Experiments and Experiences	<i>Jürgen von Hagen, Rolf R. Strauch, Guntram B. Wolff</i>
B18-02	Regional Specialization and Employment Dynamics in Transition Countries	<i>Iulia Traistaru, Guntram B. Wolff</i>
B17-02	Specialization and Growth Patterns in Border Regions of Accession Countries	<i>Laura Resmini</i>
B16-02	Regional Specialization and Concentration of Industrial Activity in Accession Countries	<i>Iulia Traistaru, Peter Nijkamp, Simonetta Longhi</i>
B15-02	Does Broad Money Matter for Interest Rate Policy?	<i>Matthias Brückner, Andreas Schaber</i>
B14-02	The Long and Short of It: Global Liberalization, Poverty and Inequality	<i>Christian E. Weller, Adam Hersch</i>
B13-02	De Facto and Official Exchange Rate Regimes in Transition Economies	<i>Jürgen von Hagen, Jizhong Zhou</i>
B12-02	Argentina: The Anatomy of A Crisis	<i>Jiri Jonas</i>
B11-02	The Eurosystem and the Art of Central Banking	<i>Gunnar Heinsohn, Otto Steiger</i>
B10-02	National Origins of European Law: Towards an Autonomous System of European Law?	<i>Martin Seidel</i>
B09-02	Monetary Policy in the Euro Area - Lessons from the First Years	<i>Volker Clausen, Bernd Hayo</i>
B08-02	Has the Link Between the Spot and Forward Exchange Rates Broken Down? Evidence From Rolling Cointegration Tests	<i>Ali M. Kutan, Su Zhou</i>
B07-02	Perspektiven der Erweiterung der Europäischen Union	<i>Martin Seidel</i>
B06-02	Is There Asymmetry in Forward Exchange Rate Bias? Multi-Country Evidence	<i>Su Zhou, Ali M. Kutan</i>
B05-02	Real and Monetary Convergence Within the European Union and Between the European Union and Candidate Countries: A Rolling Cointegration Approach	<i>Josef C. Brada, Ali M. Kutan, Su Zhou</i>
B04-02	Asymmetric Monetary Policy Effects in EMU	<i>Volker Clausen, Bernd Hayo</i>
B03-02	The Choice of Exchange Rate Regimes: An Empirical Analysis for Transition Economies	<i>Jürgen von Hagen, Jizhong Zhou</i>
B02-02	The Euro System and the Federal Reserve System Compared: Facts and Challenges	<i>Karlheinz Ruckriegel, Franz Seitz</i>
B01-02	Does Inflation Targeting Matter?	<i>Manfred J. M. Neumann, Jürgen von Hagen</i>
2001		
B29-01	Is Kazakhstan Vulnerable to the Dutch Disease?	<i>Karlygash Kuralbayeva, Ali M. Kutan, Michael L. Wyzan</i>
B28-01	Political Economy of the Nice Treaty: Rebalancing the EU Council. The Future of European Agricultural Policies	<i>Deutsch-Französisches Wirtschaftspolitisches Forum</i>
B27-01	Investor Panic, IMF Actions, and Emerging Stock Market Returns and Volatility: A Panel Investigation	<i>Bernd Hayo, Ali M. Kutan</i>
B26-01	Regional Effects of Terrorism on Tourism: Evidence from Three Mediterranean Countries	<i>Konstantinos Drakos, Ali M. Kutan</i>
B25-01	Monetary Convergence of the EU Candidates to the Euro: A Theoretical Framework and Policy Implications	<i>Lucjan T. Orłowski</i>
B24-01	Disintegration and Trade	<i>Jarko and Jan Fidrmuc</i>
B23-01	Migration and Adjustment to Shocks in Transition Economies	<i>Jan Fidrmuc</i>
B22-01	Strategic Delegation and International Capital Taxation	<i>Matthias Brückner</i>
B21-01	Balkan and Mediterranean Candidates for European Union Membership: The Convergence of Their Monetary Policy With That of the European Central Bank	<i>Josef C. Brada, Ali M. Kutan</i>
B20-01	An Empirical Inquiry of the Efficiency of Intergovernmental Transfers for Water Projects Based on the WRDA Data	<i>Anna Rubinchik-Pessach</i>
B19-01	Detrending and the Money-Output Link: International Evidence	<i>R.W. Hafer, Ali M. Kutan</i>

B18-01	Monetary Policy in Unknown Territory. The European Central Bank in the Early Years	<i>Jürgen von Hagen, Matthias Brückner</i>
B17-01	Executive Authority, the Personal Vote, and Budget Discipline in Latin American and Caribbean Countries	<i>Mark Hallerberg, Patrick Marier</i>
B16-01	Sources of Inflation and Output Fluctuations in Poland and Hungary: Implications for Full Membership in the European Union	<i>Selahattin Dibooglu, Ali M. Kutan</i>
B15-01	Programs Without Alternative: Public Pensions in the OECD	<i>Christian E. Weller</i>
B14-01	Formal Fiscal Restraints and Budget Processes As Solutions to a Deficit and Spending Bias in Public Finances - U.S. Experience and Possible Lessons for EMU	<i>Rolf R. Strauch, Jürgen von Hagen</i>
B13-01	German Public Finances: Recent Experiences and Future Challenges	<i>Jürgen von Hagen, Rolf R. Strauch</i>
B12-01	The Impact of Eastern Enlargement On EU-Labour Markets. Pensions Reform Between Economic and Political Problems	<i>Deutsch-Französisches Wirtschaftspolitisches Forum</i>
B11-01	Inflationary Performance in a Monetary Union With Large Wage Setters	<i>Lilia Cavallar</i>
B10-01	Integration of the Baltic States into the EU and Institutions of Fiscal Convergence: A Critical Evaluation of Key Issues and Empirical Evidence	<i>Ali M. Kutan, Niina Pautola-Mol</i>
B09-01	Democracy in Transition Economies: Grease or Sand in the Wheels of Growth?	<i>Jan Fidrmuc</i>
B08-01	The Functioning of Economic Policy Coordination	<i>Jürgen von Hagen, Susanne Mundschenk</i>
B07-01	The Convergence of Monetary Policy Between Candidate Countries and the European Union	<i>Josef C. Brada, Ali M. Kutan</i>
B06-01	Opposites Attract: The Case of Greek and Turkish Financial Markets	<i>Konstantinos Drakos, Ali M. Kutan</i>
B05-01	Trade Rules and Global Governance: A Long Term Agenda. The Future of Banking.	<i>Deutsch-Französisches Wirtschaftspolitisches Forum</i>
B04-01	The Determination of Unemployment Benefits	<i>Rafael di Tella, Robert J. McCulloch</i>
B03-01	Preferences Over Inflation and Unemployment: Evidence from Surveys of Happiness	<i>Rafael di Tella, Robert J. McCulloch, Andrew J. Oswald</i>
B02-01	The Konstanz Seminar on Monetary Theory and Policy at Thirty	<i>Michele Fratianni, Jürgen von Hagen</i>
B01-01	Divided Boards: Partisanship Through Delegated Monetary Policy	<i>Etienne Farvaque, Gael Lagadec</i>
2000		
B20-00	Breakin-up a Nation, From the Inside	<i>Etienne Farvaque</i>
B19-00	Income Dynamics and Stability in the Transition Process, general Reflections applied to the Czech Republic	<i>Jens Hölscher</i>
B18-00	Budget Processes: Theory and Experimental Evidence	<i>Karl-Martin Ehrhart, Roy Gardner, Jürgen von Hagen, Claudia Keser</i>
B17-00	Rückführung der Landwirtschaftspolitik in die Verantwortung der Mitgliedsstaaten? - Rechts- und Verfassungsfragen des Gemeinschaftsrechts	<i>Martin Seidel</i>
B16-00	The European Central Bank: Independence and Accountability	<i>Christa Randzio-Plath, Tomasso Padoa-Schioppa</i>
B15-00	Regional Risk Sharing and Redistribution in the German Federation	<i>Jürgen von Hagen, Ralf Hepp</i>
B14-00	Sources of Real Exchange Rate Fluctuations in Transition Economies: The Case of Poland and Hungary	<i>Selahattin Dibooglu, Ali M. Kutan</i>
B13-00	Back to the Future: The Growth Prospects of Transition Economies Reconsidered	<i>Nauro F. Campos</i>

B12-00	Rechtsetzung und Rechtsangleichung als Folge der Einheitlichen Europäischen Wahrung	<i>Martin Seidel</i>
B11-00	A Dynamic Approach to Inflation Targeting in Transition Economies	<i>Lucjan T. Orłowski</i>
B10-00	The Importance of Domestic Political Institutions: Why and How Belgium Qualified for EMU	<i>Marc Hallerberg</i>
B09-00	Rational Institutions Yield Hysteresis	<i>Rafael Di Tella, Robert MacCulloch</i>
B08-00	The Effectiveness of Self-Protection Policies for Safeguarding Emerging Market Economies from Crises	<i>Kenneth Kletzer</i>
B07-00	Financial Supervision and Policy Coordination in The EMU	<i>Deutsch-Franzosisches Wirtschaftspolitisches Forum</i>
B06-00	The Demand for Money in Austria	<i>Bernd Hayo</i>
B05-00	Liberalization, Democracy and Economic Performance during Transition	<i>Jan Fidrmuc</i>
B04-00	A New Political Culture in The EU - Democratic Accountability of the ECB	<i>Christa Randzio-Plath</i>
B03-00	Integration, Disintegration and Trade in Europe: Evolution of Trade Relations during the 1990's	<i>Jarko Fidrmuc, Jan Fidrmuc</i>
B02-00	Inflation Bias and Productivity Shocks in Transition Economies: The Case of the Czech Republic	<i>Josef C. Brada, Arthur E. King, Ali M. Kutan</i>
B01-00	Monetary Union and Fiscal Federalism	<i>Kenneth Kletzer, Jurgen von Hagen</i>
1999		
B26-99	Skills, Labour Costs, and Vertically Differentiated Industries: A General Equilibrium Analysis	<i>Stefan Lutz, Alessandro Turrini</i>
B25-99	Micro and Macro Determinants of Public Support for Market Reforms in Eastern Europe	<i>Bernd Hayo</i>
B24-99	What Makes a Revolution?	<i>Robert MacCulloch</i>
B23-99	Informal Family Insurance and the Design of the Welfare State	<i>Rafael Di Tella, Robert MacCulloch</i>
B22-99	Partisan Social Happiness	<i>Rafael Di Tella, Robert MacCulloch</i>
B21-99	The End of Moderate Inflation in Three Transition Economies?	<i>Josef C. Brada, Ali M. Kutan</i>
B20-99	Subnational Government Bailouts in Germany	<i>Helmut Seitz</i>
B19-99	The Evolution of Monetary Policy in Transition Economies	<i>Ali M. Kutan, Josef C. Brada</i>
B18-99	Why are Eastern Europe's Banks not failing when everybody else's are?	<i>Christian E. Weller, Bernard Morzuch</i>
B17-99	Stability of Monetary Unions: Lessons from the Break-Up of Czechoslovakia	<i>Jan Fidrmuc, Julius Horvath and Jarko Fidrmuc</i>
B16-99	Multinational Banks and Development Finance	<i>Christian E. Weller and Mark J. Scher</i>
B15-99	Financial Crises after Financial Liberalization: Exceptional Circumstances or Structural Weakness?	<i>Christian E. Weller</i>
B14-99	Industry Effects of Monetary Policy in Germany	<i>Bernd Hayo and Birgit Uhlenbrock</i>
B13-99	Financial Fragility or What Went Right and What Could Go Wrong in Central European Banking?	<i>Christian E. Weller and Jurgen von Hagen</i>
B12-99	Size Distortions of Tests of the Null Hypothesis of Stationarity: Evidence and Implications for Applied Work	<i>Mehmet Caner and Lutz Kilian</i>
B11-99	Financial Supervision and Policy Coordination in the EMU	<i>Deutsch-Franzosisches Wirtschaftspolitisches Forum</i>
B10-99	Financial Liberalization, Multinational Banks and Credit Supply: The Case of Poland	<i>Christian Weller</i>
B09-99	Monetary Policy, Parameter Uncertainty and Optimal Learning	<i>Volker Wieland</i>
B08-99	The Connection between more Multinational Banks and less Real Credit in Transition Economies	<i>Christian Weller</i>

- B07-99 **Comovement and Catch-up in Productivity across Sectors: Evidence from the OECD** *Christopher M. Cornwell and Jens-Uwe Wächter*
- B06-99 **Productivity Convergence and Economic Growth: A Frontier Production Function Approach** *Christopher M. Cornwell and Jens-Uwe Wächter*
- B05-99 **Tumbling Giant: Germany's Experience with the Maastricht Fiscal Criteria** *Jürgen von Hagen and Rolf Strauch*
- B04-99 **The Finance-Investment Link in a Transition Economy: Evidence for Poland from Panel Data** *Christian Weller*
- B03-99 **The Macroeconomics of Happiness** *Rafael Di Tella, Robert McCulloch and Andrew J. Oswald*
- B02-99 **The Consequences of Labour Market Flexibility: Panel Evidence Based on Survey Data** *Rafael Di Tella and Robert McCulloch*
- B01-99 **The Excess Volatility of Foreign Exchange Rates: Statistical Puzzle or Theoretical Artifact?** *Robert B.H. Hauswald*
- 1998**
- B16-98 **Labour Market + Tax Policy in the EMU** *Deutsch-Französisches Wirtschaftspolitisches Forum*
- B15-98 **Can Taxing Foreign Competition Harm the Domestic Industry?** *Stefan Lutz*
- B14-98 **Free Trade and Arms Races: Some Thoughts Regarding EU-Russian Trade** *Rafael Reuveny and John Maxwell*
- B13-98 **Fiscal Policy and Intranational Risk-Sharing** *Jürgen von Hagen*
- B12-98 **Price Stability and Monetary Policy Effectiveness when Nominal Interest Rates are Bounded at Zero** *Athanasios Orphanides and Volker Wieland*
- B11A-98 **Die Bewertung der "dauerhaft tragbaren öffentlichen Finanzlage" der EU Mitgliedstaaten beim Übergang zur dritten Stufe der EWWU** *Rolf Strauch*
- B11-98 **Exchange Rate Regimes in the Transition Economies: Case Study of the Czech Republic: 1990-1997** *Julius Horvath and Jiri Jonas*
- B10-98 **Der Wettbewerb der Rechts- und politischen Systeme in der Europäischen Union** *Martin Seidel*
- B09-98 **U.S. Monetary Policy and Monetary Policy and the ESCB** *Robert L. Hetzel*
- B08-98 **Money-Output Granger Causality Revisited: An Empirical Analysis of EU Countries (überarbeitete Version zum Herunterladen)** *Bernd Hayo*
- B07-98 **Designing Voluntary Environmental Agreements in Europe: Some Lessons from the U.S. EPA's 33/50 Program** *John W. Maxwell*
- B06-98 **Monetary Union, Asymmetric Productivity Shocks and Fiscal Insurance: an Analytical Discussion of Welfare Issues** *Kenneth Kletzer*
- B05-98 **Estimating a European Demand for Money (überarbeitete Version zum Herunterladen)** *Bernd Hayo*
- B04-98 **The EMU's Exchange Rate Policy** *Deutsch-Französisches Wirtschaftspolitisches Forum*
- B03-98 **Central Bank Policy in a More Perfect Financial System** *Jürgen von Hagen / Ingo Fender*
- B02-98 **Trade with Low-Wage Countries and Wage Inequality** *Jaleel Ahmad*
- B01-98 **Budgeting Institutions for Aggregate Fiscal Discipline** *Jürgen von Hagen*
- 1997**
- B04-97 **Macroeconomic Stabilization with a Common Currency: Does European Monetary Unification Create a Need for Fiscal Insurance or Federalism?** *Kenneth Kletzer*
- B-03-97 **Liberalising European Markets for Energy and Telecommunications: Some Lessons from the US Electric Utility Industry** *Tom Lyon / John Mayo*
- B02-97 **Employment and EMU** *Deutsch-Französisches Wirtschaftspolitisches Forum*
- B01-97 **A Stability Pact for Europe** *(a Forum organized by ZEI)*

ISSN 1436 - 6053

Zentrum für Europäische Integrationsforschung
Center for European Integration Studies
Rheinische Friedrich-Wilhelms-Universität Bonn

Walter-Flex-Strasse 3
D-53113 Bonn
Germany

Tel.: +49-228-73-1732
Fax: +49-228-73-1809
www.zei.de