Advances in Economics and Econometrics

Theory and Applications, Eighth World Congress, Volume II

Edited by

Mathias Dewatripont

Université Libre de Bruxelles and CEPR. London

Lars Peter Hansen

University of Chicago

Stephen J. Turnovsky

University of Washington



Contents

	List of Contributors	Puge In
	Preface	xi
1.	Sorting, Education, and Inequality	1
	RAQUEL FERNÁNDEZ	
2.	Wage Equations and Education Policy	41
	KENNETH I. WOLPIN	
	Empirical and Theoretical Issues in the Analysis of	
	Education Policy: A Discussion of the Papers by Raquel	
	Fernández and by Kenneth I. Wolpin	73
	COSTAS MEGHIR	
3.	Toward a Theory of Competition Policy	82
	PATRICK REY	
4.	Identification and Estimation of Cost Functions Using	
	Observed Bid Data: An Application to Electricity Markets	133
	FRANK A. WOLAK	
5.	Liquidity, Default, and Crashes: Endogenous Contracts in	
	General Equilibrium	170
	JOHN GEANAKOPLOS	
6.	Trading Volume	206
	ANDREW W. LO AND JIANG WANG	
	A Discussion of the Papers by John Geanakoplos and by	
	Andrew W. Lo and Jiang Wang	278
	FRANKLIN ALLEN	
7.	Inverse Problems and Structural Econometrics: The	
	Example of Instrumental Variables	284
	JEAN-PIERRE FLORENS	
8.	Endogeneity in Nonparametric and Semiparametric	
	Regression Models	312
	RICHARD BLUNDELL AND JAMES L. POWELL	

viii Contents

Endogeneity and Instruments in Nonparametric Models:	
A Discussion of the Papers by Jean-Pierre Florens and by	
Richard Blundell and James L. Powell	
MANUEL ARELLANO	
Index	365