“Economics is the study of human behavior”. (A. Marshall). This simple definition provides an apt description of the vast field of study currently encompassed by economics, whose evolution has not stopped during the last 200 years. Initially, its focus was limited to themes directly related to national production, economic growth, and economic aspects of politics, composing what was known then as political economy, now more associated with macroeconomics. Subsequently, the study of the market price formation process and the functioning of markets led to another branch of the science, which became known as microeconomics.

In the middle of the 20th century, the rapid expansion of financial markets led to the development of the now famous theories related to asset valuation and the composition of portfolios. Recently, the interaction of economics with other social sciences has resulted in the extension of the study of economics to an array of additional subjects, including such diverse themes as how a family determines its optimal number of children, the economic roots of crime, and the behavior of criminals, or the best way to allocate goods that are not exchanged in markets, such as human organs for transplanting, or votes in democratic institutions. Behind each of these examples is a Nobel prize-winner in economics, which illustrates the importance of these new applications of economics to the understanding of modern societies.

The economist investigates all of these aspects of society. He is by definition and training a scientist. Beyond just having a mechanistic vision, from the moment he begins to practice his profession, his principal virtue is the capacity to understand the roots of the phenomena encountered in society from different points of view and to convert this understanding into actions that benefit a country, a society, or a business. This could occur in the public arena, where his mission is oriented toward formulating,
implementing, and evaluating public policies, or in the private arena, where his mission is more linked to the generation of wealth through the optimal management of the firm’s resources or through recommendations on how to respond to market forces. Regardless of the arena, economists have a particular and an exclusive perspective on the world.

Precisely because of the recognition of the important role of economists play in the development of society, the most prestigious universities in the world have always included economics training in their academic offerings. This same response characterizes the principal universities in our country, where even though economic departments are relatively young from a global perspective, they have concentrated their efforts on offering high quality programs, comparable in some cases to the most prestigious universities in the world.

The School of Economics and Finance at EAFIT University is committed to this same goal. Although EAFIT’s Department of Economics is relatively young in comparison to the universities with the oldest departments, the commitment to providing training at the highest level, at the undergraduate as well as at the graduate level, has inspired the university to make great efforts in all aspects of the programs, which have resulted in accomplishments for the whole community. Currently, the undergraduate economics program is accredited for eight years, which is the longest period authorized by the Ministry of Education. About 70% of the Department’s professors have a doctoral degree, and they come from diverse sources, including Europe, North America, and Latin America. With respect to research, the Center for Economics and Financial Research is ranked among the best research institutions in the country, according to the rankings in REPEC or the Social Science Research Network (SSRN). EAFIT’s Research Group for the Economy and the Firm is ranked A1, the top category, by Colciencias, while its Research Group in Spatial Economics (RISE) is ranked in the B category. Finally, the School’s academic journal, Ecos de Economía, is indexed in category A2 in Publindex.

All of these elements enable us to ensure our students the physical and human resources that guarantee them a first-class education, characterized by rigor and academic excellence, a diversity of viewpoints, and a high level of practical content, resulting from the strong interaction between our university and the business sector. Nevertheless, the challenges for the future are diverse, and we are working to do the following: Offer more opportunities for exchanges with other universities and double degrees at the international level, expand our offerings of graduate degrees, and maintain the high ranking of our research, among other goals. We are convinced that through the collaborative work between our students and professors we are training the economists that Colombian society needs to respond to the multiple challenges in economic growth, innovation, and competitiveness, which will ultimately improve the lives of the members of our society.

“Economics is the study of human behavior”.  
(A. Marshall)
Entrepreneurs prepared to confront the new global challenges*

Globalization, changing markets, and the risks facing businesses require leaders to manage successfully and take actions appropriate to their environment. With this requirement in mind, between the 23rd and 26th of July, the University sponsored the 18th annual Conference on International Real Options: the Interaction of Theory and Practice. The event, which took place for the first time in Latin America, was organized by the Real Options Group and EAFIT’s School of Economics and Finance.

This conference was an opportunity to learn about practical applications and first-class academic studies related to real options, one of the most developed areas in corporate finance. The conference included invited speakers of world renown, including Marco A. G. Dias from Brazil, a petroleum engineer with the Brazilian company Petrobras, the largest Brazilian company listed on the New York stock exchange. Dias is known for his important contributions to the theory of real options and their applications in Petrobras and in Brazil. Lenos Trigeorgis, Professor of Economics en the Faculty of Economic Sciences and Business at the University of Chipre, another expert on real options, also attended.

* Taken from the official announcements of EAFIT University.
A diploma program to learn to communicate about economics and finance*

This academic initiative is managed by EAFIT’s Department of Finance and supported by numerous other institutions, including Bancolombia, and the newspapers, El Colombiano and La República. Juan Felipe Mejia Mejia, the Dean of the School of Economics and Finance, affirms that its purpose is to educate journalists about economics and finance, so that they can communicate related information properly, including data related to these subjects. This training is particularly important because the amount of news about these subjects is expanding rapidly, and there are multiple sources of this news, which require journalists who are trained to interpret the data and explain it to the public.

* Taken from the official announcements of Universidad EAFIT/6 August 2014.
María Mercedes Cuéllar, president of Asobancaria, explains that the objective of the program is to improve journalists’ capacity to research, interpret, and transmit information about developments in markets, in companies, in international trade, and in government policies to a professional or non-professional public. Carlos Raúl Yepes Jiménez, president of the Bancolombia Group, observes that the participants in this program share much in common: “When an organization like ours supports valuable initiatives like this one, it is a result of our convictions. For this reason, this alliance is welcome, opportune, and should fill us with satisfaction.” He adds that the program has a special language and a power to change reality.

Four Modules, a forum, and a dialogue

The program includes four modules, including readings covering business results in the financial sector, the structure and the pertinent regulations in the Colombian financial system, the behavior of the capital market, and financial inclusion of the less advantaged. The program also includes a forum about financial inclusion, and a final dialogue entitled, “Advances and challenges of financial inclusion in Colombia.”

The president of the business group, Carlos Raúl Yepes, in his opening remarks urged the participants to take advantage of the tools to be provided in the course. “All organizations have to be profitable; we all have this obligation, which does not change. But what changes is the concept of profitability. I encourage you to ask what is profitability really, and not focus only on the financial bottom line because this number is really just an accident.”
Invited experts

- The School, the site of debate and the diffusion of new theories

Luis Díaz Serrano of the Department of Economics in the Universidad Rovira I Virgili (Barcelona); David Jacho-Chávez, Associate Professor in the Department of Economics at Emory University (USA) and Mieke Meurs, Associate Dean of American University recently visited the University. During the months of July and August, these researchers from Spain and the U.S: visited the School of Economics and Finance to give courses in the Master’s program in Economics and to participate in the weekly seminar organized by the Research Group on the Economy and the Firm.

Luis Díaz Serrano, Adjunct Professor in the Department of Economics at Universidad Rovira I Virgili (Barcelona) and Ph. D. en Economics, from the same university, taught a course on econometric tools and practices in the Master’s program and presented a paper in the Seminar on his research related to discrimination against homosexual parents in an experiment carried out through a survey distributed to schools via the internet. In his presentation made on July 18th, he explained his research in which he studied for the first time the reticence of private schools to meet with homosexual parents during pre-matriculation periods of orientation in Catalonia, Spain.

Subsequently, it was the turn of David Jacho-Chávez, Doctor en Economics, Master in Econometrics and Mathematical Econometrics, Economist at the London School of Economics
and Associate Professor in the Department of Economics of Emory University (USA). He presented a new methodological tool in the weekly Seminar to study the dynamics of consumer prices over time in an economy.

Finally, the Associate Dean and Professor of Economics at American University taught a course on heterodox microeconomics in the Master’s program and presented some results from her study collecting data and estimating a model of household decision-making in the Seminar of 15 August. The focus of this study was to determine which persons in a household participate in decision-making to provide guidance to government agencies who would like to influence these decisions for public health or educational reasons.

**Seminar of the Research Group on the Economy and the Firm, a long trajectory**

The bi-weekly seminars organized by the Research Group on the Economy and the Firm provide an opportunity to inform the community about ongoing research and to promote debate in the academic community. The national and international researchers who present their research invariably have a distinguished research career.
An Expert in Investments and Behavioral Finance visited Universidad EAFIT

On June 3rd and 4th Professor and Researcher Alok Kumar* of the University of Miami, an expert in investments and behavioral finance, visited the School to share his ideas and research findings with financial executives in the city, professors in the School, and students in the Master’s in Finance, with the hope of identifying possible joint research projects.

Behavioral Finance is an area of research in Finance, with growing visibility for academics and executives. It focuses on identifying and analyzing the biases that individuals have when they make financial decisions (in contrast to the assumptions in rational analysis), which leads them to make undesirable financial decisions. Professor Kumar presented several of his most important studies related to this topic.

As an example, he presented evidence in the context of investment funds in the US that individuals exhibit a bias of familiarity. This bias leads them to prefer funds managed by individuals with surnames that are more common in the American context. They demand better performance from managers with less common names and withdraw their money from these funds more quickly during periods when the funds perform poorly. He shows that these tendencies worsen during terrorist attacks, such as the attack on the world trade center in 2001 and the bombing at the Boston Marathon in 2013.

In this article Professors Restrepo y Kumbhakar show that the results of some empirical studies of bank behavior are sensitive to the assumptions made when researchers do not know the economic theory. In addition, they clarify the theoretical properties of the principal model used in the literature to measure bank and other financial institutions’ efficiency in generating profits. Using their proposed methodology, Restrepo and Kumbhakar find a positive relationship between US commercial banks’ market power and their efficiency subsequent to banking deregulation.


This article presents evidence that the size of the public sector was endogenous in 90 counties between 1961 and 2010. In practice, the indirect negative channel dominates in democracies. Due to the more restricted power to choose the level of public services, in autocratic regimes the direct positive effect dominates. As a consequence, volatile rates of growth are prejudicial for the rate of growth in democracies, but beneficial for growth in autocracies. The empirical results show that an increase in volatility by one standard deviation reduces growth rates by up to 0.52 percent in a democracy, but increases the growth rate by 1.66 percent in an autocracy. These results reveal the government’s important role in intermediation in the relationship between volatility and growth. Both the size of the public sector and its nature play a key role.


The results presented in this article, written with co-authors who are professors of Economics in the Universidad de Salamanca, Esther del Brio, PhD. y Javier Perote, PhD., show that methodologies based on the students’ “t” distribution do not predict VaR in stock indices sufficiently well to adequately estimate the risk in the market, while the EVT y Gram-Charlier (GC) techniques adequately capture the risks in these markets. Additionally, the GC approach provides substantial savings measured in terms of the efficient provision of regulated capital.


In this article the authors propose a new non-parametric methodology to measure returns to scale in banks. This methodology accounts for credit risk in the banks’ decision-making process. The financial literature usually does not consider this risk when it measures returns to scale and other measures of productivity and efficiency.

This article proposes a new methodology to calculate returns to scale using distance functions and estimating them using non-parametric methods. The methodology is applied to a sample of U.S. banks with assets in excess of 1 billion dollars. In contrast to recent studies, the results indicate that these banks do not benefit from substantial economies of scale. So from the standpoint of economies of scale, limiting the size of these banks would not have negative effects for the economy.


The increase in investment and the “crisis of resources” that results from it causes a wave of mergers and acquisitions that helps to prolong the boom phase of the business cycle. The wave of mergers ends when the expansion of credit is no longer sufficient to sustain the boom, which causes the contraction and recession phase of the cycle. This paper argues that if the expansion of credit does not increase loans for financing business investment, then there is no pronounced and sustained increase in merger and acquisition activity.


This article presents an empirical analysis of the relationship between foreign direct investment (FDI), institutional quality, and government size and the activity of risk capital (RC). It concludes that institutional quality, FDI, and public expenditures have clear importance as elements of a public policy that increases the quantity and the quality of investment in foreign risk capital (FRC). Higher institutional quality, more FDI, and more public expenditures cause the volume of investment in FRC to increase. The effect of FDI has a higher level of significance in the promotion of investment in high technology businesses, and institutional quality increases the productivity of FDI in the generation of investment in FRC. Government expenditure has a significant negative effect on the activity of FRC, and the institutional quality increases the negative effect of public expenditures on the activity of FRC in emerging countries. This last result suggests that the higher the institutional quality of a country, the less need there is for the intervention of the state to promote investment in the FRC. The results are consistent with the hypotheses that FDI has a spillover effect and public expenditures have a crowding out effect.


This article presents evidence that UN interventions are geographically biased. For each 1,000 kilometers of distance from the three permanent members of the Security Council (France, UK, and the U.S.), the probability of an intervention declines by four percent. The analysis rejects several alternative explanations for this finding, including continental differences, colonial origin, commercial bilateral relations, flows of foreign aid, the type of political regime, or the characteristics of the Cold War. This geographic risk is not observed in non-military interventions, and evidence is found that practical considerations could be important factors in the Security Council decisions to intervene militarily.
Researchers affiliated with the School of Economics and Finance post their working papers on the CIEF website to facilitate the diffusion of the high quality economic and financial research performed at the School. These documents constitute drafts of academic papers, and they are posted to stimulate academic debate. They are directed to experts, so readers should have some knowledge of economics and finance. These working papers are indexed at the sites Dotec, Repec y SSRN, which enables them to obtain more visibility among national and international researchers. They can be accessed at: [http://repository.eafit.edu.co/handle/10784/388](http://repository.eafit.edu.co/handle/10784/388)

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<td>Breton, Theodore R.</td>
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<td>A case for redistribution? Income inequality and wealth concentration in the recent crisis</td>
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<td>What is the effect of sample and prior distributions on a Bayesian autoregressive linear model? An application to piped water consumption</td>
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The most recent issue of the Journal *Ecos de Economía*, classified in category A2 of the National Bibliographic Index – Publindex. In this issue there are articles from authors in México, Puerto Rico, Argentina y Colombia. This issue and earlier one can be accessed at: [www.eafit.edu.co/ecos](http://www.eafit.edu.co/ecos)

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**Articles in the popular press**

- **Contraband, another alert. July 3, 2014.** [Portafolio.co]
  “Between 2011 and 2013 the consumption of contraband cigarettes increased by about 3 percent, primarily in the young population (18-24 years), the population over 55, and in the lower strata of the society (levels 1 and 2) that inhabits rural areas. It is particularly worrisome that the incidence of smoking in the population has increased from 5 to 8 percent, and among women by 7 percent, according to a recent survey carried out by EAFIT University and the National Federation of Departments. This finding sets off alarms for the researchers Catalina Gómez and Gustavo Duncan, who carried out the analysis for the Journal Portafolio.co. ([http://m.portafolio.co/columnistas/contrabando-otra-alerta](http://m.portafolio.co/columnistas/contrabando-otra-alerta))

- **The underground economy in the GDP**
  On June 26th Professor Andrés Julián Rendón was invited to participate in a radio program “Jueves de Economía” organized under the theme “UN Analysis” by the UN radio station at the Universidad Nacional in Colombia. In the program, in which academics from many universities participated; they discussed the topic of the underground economy in the GDP. ([http://www.unradio.unal.edu.co/detalle/cat/un-analisis/pag/5/article/jueves-de-economia-45.html#.U-jst0UCEUk.gmail](http://www.unradio.unal.edu.co/detalle/cat/un-analisis/pag/5/article/jueves-de-economia-45.html#.U-jst0UCEUk.gmail))

- **The formal share of the labor market is increasing.** [Colombiano.com] July 27, 2014
  Professor Humberto Franco González published an article entitled, “La Formalización del empleo va por buen camino” in the newspaper El Colombiano. Professor Franco argues that “the country has been implementing a series of reforms that have tended to diminish the costs to employers associated with employee salaries, reforms that seem to have contributed to the expected increase in the share of formal employment in the economy,” since it appears to have increased substantially, leading to a notable concurrent reduction in the rate of unemployment, which was 8.4% at the end of 2013, despite the slight increase that occurred in the 1st quarter to 9.3%.

- **Colombia requires financial training in the schools.** [El Mundo.com], July 10, 2014
  “According to the Bank of the Republic, only 1 % of student in the country have some financial education,” advised Raúl Armando Cardona, Chair of the Department of Finance in the daily El Mundo. He offers this observation as part of his explanation of the causes of the latest results related to knowledge of finance on the international test PISA, carried out by the OECD. In this test Colombia was in last place among the 18 countries who participated. We also acknowledge Noticiero Tele Medellín, which reported the same information the day before.

- **The merger of UNE with Millicom.** [El Mundo.com]. August 3, 2014
  Professor Lina Cortés, expert in Mergers and Acquisitions in the Department of Finance, shared her opinion about the merger of UNE with Millicom with the daily El Mundo. “The permissions for the merger are fundamental, because the parties have to guarantee that the merger meets the regulatory requirements that the consumer will not be adversely affected by the reduction in competition in this market.”
Participation in conferences and events

International

- **35th Annual World Finance Conference – WFC**
  took place in Ca’ Foscari University of Venice, Italy between the 2nd and 4th of July. Professors Javier Orlando Pantoja y Jimmy Agustín Saravia, both of the Department of Finance, attended
  WFC has the objective of creating a space for the high-level discussion of a variety of themes in finance, for academics and professionals in the field. Javier Orlando Pantoja y Jimmy Agustín Saravia presented results from their research in Finance. Profesor Pantoja presented “Convenience Yield Estimation Through the Stochastic Modelling of Future Contracts”, a paper co-authored with a student in the Master’s program in Finance, Carlos Alberto Velásquez, who is currently in his last semester. Professor Saravia presented his article “The life cycle of the firm, corporate government, and performance in the execution of investments,” which has already been published in *Journal of Corporate Ownership & Control* (Vol. 11, No. 2, pp. 212-226).

- **Participation in the International Association for Applied Econometrics (IAAE)**
  From the 26th to the 28th of June, Professor Andrés Ramírez Hassan, PhD., participated in the first annual conference of the International Association for Applied Econometrics, which took place at Queen Mary University of London, in the UK. Professor Ramírez presented his article, “Which team will win the 2014 FIFA World Cup? A Bayesian approach for dummies.” The objective of the IAAE is to bring together international researchers in the field of econometrics (theory and practice).

- **Conference on Development Economics and Policy**
  Professor Michael Jetter, PhD, participated during the 27th and 28th of June in the Conference on Development Economics and Policy, which took place in the city of Passau, Germany. Professor Jetter presented his paper, “UN Interventions: The Role of Geography” which he co-authored with Juan Carlos Duque, PhD and Santiago Sosa. The conference was organized by a group of researchers in development economics who belong to the German Economic Association.

- **James Elliot Byder, Professor in the Department of Finance participated on the 23rd and 24th of June in the Emotional Finance Conference Organized by the Behavioural Finance Working Group, which took place in Queen Mary College, University of London, in the UK.**
  Professor James Elliot Byder presented his paper “A History of Violence: The impact of early violence exposure on financial risk preferences,” co-authored by two professors in the Department of Finance, Diego Agudelo y Mateo Vasco. This component of the conference was focused on the fields of the finance of behavior, economic psychology, and socio-financial analysis, which focuses on explaining the financial decision-making of individuals and institutions, including the ramifications of these decisions for prices in the market, the profitability of assets and businesses, and economic and financial policies.
Colombia - North Mexico. The 4th Bi-National Colloquium on Economics, Economic History and Business, took place in May 2014 at the Faculty of Economics in the Universidad Autónoma de Nuevo León, Monterrey, México.

Gustavo Canavire Bacarreza, Director of EAFIT’s Center of Research in Economics and Finance, and John Jairo García, Professor in the Department of Economics, presented two papers entitled, “Informality and Mobility in Colombia using repeated Cross-Section Household Surveys” and “Market Power in Spot Markets for Wholesale Power: Methodology for its Analysis.”

Javier Orlando Pantoja, Professor in the Department of Finance, participated between the 11th and 23rd of August as a visiting professor in the Doctoral program for Administrative Sciences in the Universidad de Occidente, México.

As part of the collaborative agreement between the Universidad de Occidente y EAFIT, Professor Pantoja was invited to teach the course “International finance and risk management” to the Doctoral students at the Culiacán site. In addition, Professor Pantoja also worked on plans for future collaborative research between the two universities.

Economics and International Relations New Perspectives

During the month of July, Professor Michael Jetter taught a course in the summer school at the Universität Bayreuth, entitled “Economics and International Relations: New Perspectives”. The main objective of the course was to foster a better understanding of several social phenomena, including corruption, inequality, and child labor, in the context of developing societies, but also as these themes pertain to the so-called developed world.

Professor Diego Restrepo traveled to the University of Binghamton, EE.UU. to collaborate on research from June 17th until July 1st.

During this period Professor Restrepo worked with his co-authors Subal Kumbhakar, Emir Malikov, y Barry Jones on joint econometric research projects related to commercial banks in the U.S. and to estimates of the cost of using money in the UK.

Professor Javier Pantoja travelled to the University ESSEC of París to collaborate on research from July 5th to July 10th.

During this period he participated in numerous meetings with Professors Andrea Roncoroni y Rachid Id-Brik to establish guidelines for collaboration on projects related to scientific research and for consulting related to electricity markets.

VIII Environmental and Resource Economics Training Course. Yurani Arias Granada attended the 8th Environmental and Resource Economics Training Course “Valuation and Household Surveys”,

Which took place between the 21st and the 31st of July in Turrialba, Costa Rica. The economist and student in the Master’s program in Economics at EAFIT was selected, together with 30 other young researchers from Latin America and the Caribbean to participate in the event. During two weeks Yurani studied with experts about economic valuation techniques for environmental goods and services, which he believes will be very useful for application in Colombia, although he will need to further deepen in their use.
National

- **“Commercial Relations Colombia – European Union: Toward More Diversity and Competitiveness”**
  Was the theme of the conference held on August 14th at the hotel Diez Categoría in Medellín, Colombia. The Dean of the School, Juan Felipe Mejía, PhD, gave a talk on this topic to the national and international guests invited by the Colombia-German Chamber of Industry and Commerce AHK.

- **Forum on Sectoral Perspectives**
  From the 25th to the 27th of June in Cartagena, Colombia, Luis Guillermo Vélez, Professor in EAFIT’s Department of Economics directed the forum on the outlook for the energy sector. The CEO’s of many of Colombia’s principal energy companies (ISA, EPM, Isagen, EEB, Naturgas, and EAAB) participated in the forum, which was part of the 16th National and International Andesco Congress: Public services, Information and Communication Technologies, and Television.

- **Literacy in economic and financial in secondary education: A project led by the undergraduate program in Finance and the Financial Laboratory**
  The undergraduate program in Finance is conducting a nationwide educational outreach program aimed at economic and financial literacy in secondary education. One of the strategies of the program is to support, together with the Financial Laboratory, the contest called “La Bolsa Millonaria”, led by the Stock Exchange of Colombia – BVC, in its version for colleges and universities. Thanks to the support of the undergraduate program and the Financial Laboratory, four students from schools in Medellin and two groups from EAFIT ranked in the top 10, out of about 2,700 participants, for their outstanding performance.

- **“Regulating Systematically Important Institutions in Colombia: Lessons from the Regulatory Reforms Around the World,”** presented by Professor Diego Restrepo at the Bank of the Republic Seminar in Medellín, Colombia
  In this presentation Professor Restrepo described how the U.S., the UK, and the European Union, among others, have reformed their financial regulations with the goal of making their financial systems more resistant to the system risks related to their systematically-important financial institutions. Professor Restrepo finds that Colombian regulation does not provide a clear mandate to any institution to be responsible for financial stability in Colombia and that the existing regulatory supervision is not adequate to mitigate the systemic risk related to the systematically-important financial institutions nor to prevent public resources from being utilized to rescue one of these institutions when it enters into crisis.
Ethics in Publication. The Wiley publishing house in association with the Library of EAFIT University organized an event on August 12th, entitled “Ethics in publication and frequent reasons why manuscripts are rejected”

Among the invited guests were Dr. Thomas Ward, Editor-in-chief of the prestigious scientific Journal Headache, and Dr. Juan Carlos Duque, Professor in the Department of Economics, who shared his experience as a researcher and offered some recommendations about how to publish successfully in high-impact journals.

“IV Panel of Editors of Journals Indexed in Economic Sciences”

The 30th of July, Óscar Caicedo, technical editor of the Journal Ecos de Economía participated as an invited panelist in the 4th Panel of Editors of Journals Indexed in Economic Sciences, organized by the Economics Faculty of the Universidad Militar Nueva Granada – UMNG. This panel was part of the “Encounter in Research in Economic, Administrative, and Accounting Sciences” which examined the contemporary challenges facing managers of emerging scientific journals.

Catalina Montoya, Coordinator of the Financial Laboratory, Attended Bloomberg´s University Premium Training from July 21st to the 25th in Bogotá

During this event specialists in portfolios, fundamental and technical analysis, commodities, and derivatives analyzed situations using Bloomberg’s financial tools, with the goal of training professors and financial professionals in finance in the use of these tools. The updating of capacities to use Bloomberg’s available knowledge and tools increased the quality of the services offered by EAFIT’s Financial Laboratory to the community.
Achievements and awards

- **Award of Magna Cum Laude by Unanimous Consent**

On May 19th Professor Andrés Mora Valencia, of the Department of Finance, was awarded a magna cum laude distinction for his doctoral thesis, “Quantification of financial risk in the presence of high-impact events: parametric distributions and Gram-Charlier density”, in the Doctoral program in Economics of the Firm at the Universidad de Salamanca, directed by Dr. Javier Perote and Dr. Esther del Brío.

The thesis included three chapters, of which two have already been published as articles in ISI journals rated Q2: “Semi-nonparametric VaR forecasts for hedge funds during the recent crisis,” published in *Physica A: Statistical Mechanics and its Applications* and “VaR performance during the subprime and sovereign debt crises: An application to emerging markets,” recently published in *Emerging Markets Review*.

- **On June 26th Mauricio Andrés Ramírez Gómez was awarded the degree of Doctor in Administration by Universidad EAFIT**

His thesis entitled, “Social Networks and Entrepreneurial Activity of Students in Universities in Antioquia: An Institutional Economics Analysis” was directed by David Urbano Pulido, PhD., Full Professor in the Department of Economics of the Universidad Autónoma of Barcelona-UAB. With this achievement Mauricio Ramírez joins the group of faculty holding doctorates in the Department of Economics.

- **Recognition of Academic Research Accomplishments**

Professor Humberto Franco González of EAFIT’s Department of Economics was invited by the Vice-rector for Teaching at the Universidad de Antioquia to participate in the selection of new professors for that institution. As part of the invitation, the Universidad de Antioquia praised Professor Franco’s academic research contributions.
Job Openings

Organization: Universidad EAFIT, Medellin-Colombia
Job title: Assistant/Associate/Full Professor (2 positions)
Location: Medellin, Colombia

Description: The Department of Economics, located in the School of Economics and Finance at Universidad EAFIT in Medellin Colombia, is inviting applications for two full-time tenure-tracks Professor with salary and rank open, dependent on the qualifications of the applicants. The position begins as early as possible in 2015. Responsibilities include teaching undergraduate and graduate courses in Economics as well as developing a strong research agenda. Teaching assignments are dependent on the background and expertise of individual faculty member and the needs of the department. The candidate will be expected to teach in both the undergraduate and master’s programs. Faculty members are expected to fulfill service (administrative) obligations and publish in refereed journals. The available openings are open but preference will be given to applicants for the areas of Industrial Organization and Applied Microeconometrics. Applications will be accepted until the position is filled. Review of applications will begin immediately. All interested applicants should send a letter of application, curriculum vitae, and a job market paper (or recent working paper or publication) as email attachments to cief@eafit.edu.co and atores7@eafit.edu.co. Candidates for assistant professor levels should arrange for three letters of recommendation to be sent to the same address. Candidates for higher levels should provide contacts for three references.

Interviews will be held at LACEA conference in Sao Paolo and in Boston at the AEA conference.

Application Deadline: For LACEA interviews: October 31, 2014. For AEA interviews December 15, 2014
Observations of an alumnus

Rogelio Maldonado Castaño, MSc. in Finance, Market Architect

After an arduous search for the appropriate Master’s program in finance, Rogelio Maldonado Castaño found the Master’s program at EAFIT, which offered the opportunity to study financial market innovation and to assist his advancement in his professional career. This administrative engineer from the Universidad de Medellín completed the Master’s degree in 2011 and has worked during the last three years as the administrative director of private portfolios at BTG Pactual, a brokerage firm in Colombia whose home base is the Brazilian Bank of Investment, the largest in Latin America.

This firm is dedicated to third party portfolio management, an arrangement designed for those clients who have considerable wealth but do not have the time or the knowledge to manage their own money in the public stock market.

According to Maldonado, he could not have obtained his current position without the Master’s degree. Previously he worked 8 years for Protección where he was the administrator of short-term and long-term portfolios and a specialist in public debt. “I knew that EAFIT had this Master’s degree and that it is the only one in the country with a research focus. This focus attracted me because my intention was to produce new knowledge and try to innovate in the market,” he said.

Research and practice: A valuable mix

For Maldonado the most valuable aspects of his experience in the program was learning from experts, the quality of the professors, and their combination of academic research combined with experience in the financial world. Another highlight was that the Master’s program enabled him to link the professional, personal, and academic aspects of his life simultaneously.

Thanks to the Master’s program, he was given the opportunity to teach the course in Fixed Income in the Specialization in Finance offered by EAFIT at its branch in Bogotá. “Another benefit was the exposure to people with whom he studied: professors and individuals in the Colombian electricity market, the financial market, the construction sector, and others. It was very interesting to listen to all of their points of view in an academic discussion,” the graduate noted.
Knowledge as the Engine in the Economy

Based on his experience in the University, Maldonado believes that the Master’s program makes a substantial contribution to the country through its production of new knowledge. “The Master’s program makes its small contribution because the participants are always innovating from an academic standpoint.”

His thesis will be published as an article in the *Journal of Economics Finance and Administrative Science*, edited by the Universidad ESAN in Peru. This article, co-authored with Javier Pantoja, the Director of his thesis, and Natalia Zapata, presents a model that predicts the behavior of the financial market in Colombia two days ahead, an important advance for identifying the direction of the market with a high probability. The model includes a system of dynamic equations and employs Kalman filters.

> “The Master’s program makes its small contribution because the participants are always innovating from an academic standpoint.”