

Public Economics

Faculty members:	Guido De Bruyne André Decoster Wim Moesen Erik Schokkaert Paul Van Rompuy
Emeriti:	Mark Eyskens
Associate Faculty:	Laurens Cherchye
Doctoral researchers:	Bart Capéau Erwin Ooghe
Researchers:	Kristof Bosmans Koen Decancq Kristof Dewitte Kris De Swerdt Hendrik Nevejan Kristian Orsini Nicky Rogge Tom Truyts Guy Van Camp Carine Van de Voorde (50%) Charlotte Verhelle Blanca Zuluaga
Visiting researchers:	Matteo Migheli

Guido De Bruyne is doing research on macroeconomic optimizing models of imperfect competition with sticky prices and (or) wages. Within this general framework, he focuses on the welfare analysis of alternative monetary policy rules, and of various institutional arrangements, for example the regulation in goods and labour markets.

André Decoster is interested in income (re)distribution, more specifically the measurement of inequality and poverty, and the redistributive effects of direct and indirect taxes and social security. The analysis rests on the use of microdata and on the methodology of micro simulation. The measurement issues are also applied to the topical subject of world inequality. He also directs a research project on the welfare effects of taxation in the housing market.

Wim Moesen is interested in the measurement of public performance using composite indicators with endogenous weights. He also investigates the empirical relationship between the quality of public institutions and economic welfare. Within the area of public finance he assesses the municipal finances in Belgium.

Erik Schokkaert is interested in welfare economics and in public economics. In welfare economics he studies different notions of social welfare and economic justice and uses survey research to see whether these notions are accepted by the population. In public economics he focuses on the trade-off between justice and efficiency and on the role of the government with respect to taxation, health and social security.

Paul Van Rompuy's interest concerns the sustainability of public finances of highly indebted countries and the coordination problem of budgetary policies in a federal setting. He is also interested in the impact of taxation on employment in unionised labour markets.

The measurement of inequality and welfare dominance

André Decoster and Peter Lambert (University of Oregon, USA) revisited the decomposition of the Gini coefficient into between-groups, within-groups and overlap terms in the context of two groups in which the incomes in one group may be scaled and that group's population weight modified.

Erwin Ooghe and Peter Lambert analyzed an extension of the generalized Lorenz welfare criterion with bounded equivalence scales, proposed by Fleurbaey, Hagneré and Trannoy (FHT). Erwin Ooghe and André Decoster refined the FHT-criterion to an index test and used it to analyze the evolution of welfare in Russia in the post-communist era (1994-2001). Laurens Cherchye, Erwin Ooghe and Tom Van Puyenbroeck used the FHT criterion to test the United Nations' "Human Development Index". As expected, the UN's ranking of countries is not robust, while the robustness of the UN's country classification (in low, middle or highly developed countries) could not be rejected. Finally, Erwin Ooghe provides an alternative characterization of the sequential dominance criterion –an extreme case of the FHT criterion– in terms of weighted utilitarianism.

In two contributions, Kristof Bosmans explored extremely egalitarian positions with respect to distributive justice. The first contribution (co-authored with Erwin Ooghe), provides a characterization of the maximin rule in the spirit of the seminal axiomatization of the leximin rule that uses the Hammond equity axiom. The second contribution generalizes the standard result that establishes the leximin rule as the extremely egalitarian member of the class of separable social welfare orderings using the conventional Arrow-Pratt theory of inequality/risk aversion. Kristof Bosmans also described the Lorenz dominance relationships that hold between several well-known rules for solving claims problems. Claims problems are distribution problems concerned with the allocation of an amount of money over a group of individuals with typically different entitlements such that the amount of money falls short of the sum of the entitlements.

Koen Decancq investigated various multidimensional generalizations of the standard one-dimensional inequality measures. He focused on the generalization of the transfer principle, on the relation with mathematical majorization theory and on the copula function as a tool to model and to conceptualize dependence structures between the distributions of the dimensions. Together with Erik Schokkaert and André Decoster he studied the Human Development Index (HDI) as an operational multidimensional welfare index.

Matching and microsimulation

André Decoster, Kris De Swert, Kristian Orsini and Guy Van Camp continued their research on a joint project with the University of Antwerp and the University of Liège to construct a micro simulation model for Belgian social security and personal income tax reforms. The model, which has been baptised MIMOSIS (MlCrosimulation MOdel for Belgian Social Insurance Systems) covers six policy domains: a) social security contributions, b) pension benefits, c) sickness and disability benefits, d) unemployment benefits, e) child allowances and f) personal income taxes (to calculate the "net" benefits).

The particularity of MIMOSIS lies in the fact that the underlying database is constructed from multiple administrative datasets, managed by the Crossroads Bank for Social Security. The available data mainly cover labour market data of employed and unemployed people. For each module a note was written, describing the calculation process for the tax benefit system of 2001 using the administrative data that are available to run the model.

In 2005 they wrote the source code (in FORTRAN95) for the different modules and integrated them into one single executable programme file (a MIMOSIS.exe file). They are now in the process of validating the model and testing it with policy relevant simulations. Due to lack of data on its past history, the pension module has not yet been fully developed.

Taxation and social security

Kristian Orsini has continued his research on the labour supply effects of reforms in tax and benefit systems. During a visit to the German Institute for Economic Research in Berlin, he coauthored a study of the labour supply effect of reforms on the low wage sector in a rationed labour market.

André Decoster and Guy Van Camp used administrative tax unit data on the personal income tax payments for 2001 to simulate a number of flat tax scenarios. They focussed on the distributional and revenue impact of the different scenarios, leaving out possible incentive effects. The current proposals for a Belgian flat tax (i.e. a flat rate around 25%, without any base broadening) would probably lead to unacceptably high revenue losses. Moreover, compared to the current personal income tax system, the introduction of a “pure” flat tax, consisting only of a flat rate and exemptions at the bottom, is likely to have a very regressive impact. One of the most important elements in lessening this regressive impact would be tax credits for replacement incomes.

Erik Schokkaert continued his research on the equity aspects of different pension systems.

Taxation and the housing market

Bart Capéau, André Decoster and Kris De Swerdts modelled the length of stay of homeowners in their current dwellings. Bart Capéau proposed an estimation procedure to deal with 100% right-censored data in a duration model, also allowing, to some extent, for time variation in explanatory variables. They used this model to assess the impact of lower transaction taxes on the household's average length of stay in the same dwelling and on the additional yearly number of transactions this brings about on the secondary market.

André Decoster and Kris De Swerdts presented a methodology to estimate a hedonic house price index for the Belgian housing market. To illustrate its potential, the proposed methodology was applied to data from the Belgian household budget survey. The comparison of the hedonic index with the current Belgian practice of basing the index on average sales prices highlighted the potential divergence between the two approaches in describing yearly house price evolutions.

The foundations of the welfare state and the reduction of poverty

Tom Truyts continued his research on interpersonally interdependent preferences, focussing on positional consumption commodities and related cases in which the symbolic meaning of a commodity is an important motivation for consumption. He explored the consequences of this phenomenon for the design of redistributive policies.

Blanca Zuluaga is interested in education and poverty. She analyzed the influence of education on each of the dimensions of poverty, including the monetary dimension. Using Colombian data, she showed that the direct effect of education on poverty goes beyond the mere indirect impact through wages and income.

During his stay in Leuven, Matteo Migheli (visiting researcher) worked on two topics. First, he analyzed the individual exogenous factors affecting decisions to invest in social capital; for this he used data from the World Values Survey. Second, he carried out an experiment with students to measure the influence of their individual social capital on their behaviour in a trust game.

Health insurance

Erik Schokkaert, Guy Van Camp, Carine Van de Voorde and Charlotte Verhelle worked under a contract with RIZIV/INAMI to propose a formula for the risk-adjusted distribution of the health care budget among the Belgian mutualities (national health insurance companies). In 2005, a number of quality checks were executed on the health insurance data of insured individuals. These data have been used to estimate an update of the risk adjustment formula for distributing government subsidies in the system of supplementary insurance for the self-employed. It would be very useful to integrate diagnostic information in the risk adjustment formula; ; the various methodological and empirical issues raised by such an integration have been investigated.

Erik Schokkaert and Carine Van de Voorde analyzed the theoretical aspects of risk adjustment and risk selection on the health insurance market. Carine Van de Voorde has been involved in an international team which focused more specifically on the structure of the markets for supplementary health insurance and on the interaction between the mandatory and the supplementary systems.

Erik Schokkaert and Carine Van de Voorde explored the possibilities of an econometric analysis of the growth of health expenditures over time through the analysis of one specific category: consultations and visits of general practitioners and specialists. The results clearly show the effects of changes in the institutional setting and in the copayments to be paid by the patients. It is also illustrated how simulation techniques can be used to analyze the consequences of specific policy measures.

Erik Schokkaert and Carine Van de Voorde have been responsible for the health and health insurance modules in the Belgian part of the overall SHARE project. This European project aims at collecting detailed and internationally comparable panel data on the living conditions of the elderly population.

Composite performance indicators

Wim Moesen, Laurens Cherchye, Nicky Rogge and Tom Van Puyenbroeck explored the construction of composite performance indicators with endogenous weights. This non-uniform weighting method may be labelled as 'benefit-of-the-doubt' weighting. It involves linear optimization techniques which allow countries to emphasize and prioritize those aspects on which they perform relatively well. They showed how such a synthetic performance indicator may be instrumental within the framework of benchmarking the performance of nations.

They applied this procedure to the dynamic performance of the EU Internal Market, thereby highlighting its capacity to disaggregate member states' observed performance shifts into changes *relative to* benchmarks and performance changes *of* the benchmarks (i.e. catching up versus genuine progress). Their results indicate that the latter factor is more important in explaining the observed progress. Within the framework of the KEI Project (Knowledge Economy Indicators) of the European Commission, the method has also been applied to the composite Technology Achievement Index.

Wim Moesen and Harry Bowen applied a similar approach to data from the World Economic Forum to assess the competitiveness of nations. The resulting Revealed Competitiveness Index is then compared with the Growth Competitiveness Index of the World Economic Forum which utilizes a set of predetermined uniform weights. A study of the rank reversals suggests that some countries are better served (for example the United States) than others by the actual fixed weighting scheme of the World Economic Forum. As a further step, the economic performance of the World Economic Forum was complemented with two other dimensions: governance (data from the World Bank) and environmental sustainability (data from the Yale Center for Environmental Law and Policy and the Center for International Earth Science Information).

Public finance

Together with Kristof De Witte, Wim Moesen investigated the budgetary outcomes and wealth position of the Belgian municipalities. Paul Van Rompuy focused on the coordination of fiscal policies in Belgium.

Nonparametric techniques for analyzing choice behaviour and for efficiency analysis

Laurens Cherchye worked further on the development of nonparametric techniques for efficiency analysis. With various co-authors he analyzed the implications of imposing the Law of One Price and the possibilities of measuring profit (in)efficiency. The theoretical ideas were applied in various contexts, including the research efficiency of economics departments of Dutch universities and (in a joint paper with Tom Van Puyenbroeck) the profit efficiency of different German farm types. An

alternative approach, requiring only ordinal information, was elaborated in a paper with Frederic Vermeulen to evaluate the performance of Tour de France racing cyclists.

Laurens Cherchye (together with Bram De Rock and Frederic Vermeulen) developed a non-parametric testing procedure for the general collective consumption model with public consumption and externalities inside the household. Their application uses data from the Russia Longitudinal Monitoring Survey (RLMS); the panel structure of this data set allows non-parametric testing of the behavioural models without relying on preference homogeneity assumptions across similar individuals. The general collective model cannot be rejected by the data, while other, restricted, versions of the general model, including the unitary alternative, are rejected.

Publications

Articles in reviewed international journals

- BOWEN, H.P. and MOESEN, W. (2005), Benchmarking the performance of nations: non-uniform weighting and non-economic dimensions, *Corporate Governance*, forthcoming.
- CAPEAU, B. and DECOSTER, A. (2005), The rise or fall of world inequality. A spurious controversy?, *World Economic Papers* 3 (in Chinese).
- CAPEAU, B. and DERCON, S. (2005), Prices, unit values and local measurement units in rural surveys: an econometric approach with an application to poverty measurement in Ethiopia, *Journal of African Economies*, forthcoming.
- CHERCHYE, L. and VANDEN ABEELE, P. (2005), On research efficiency: a micro-analysis of Dutch university research in economics and business management, *Research Policy* 34, p. 495-516.
- CHERCHYE, L. and VAN PUYENBROECK, T. (2005), Profit efficiency analysis under limited information, with an application to German farm types, *OMEGA International Journal of Management Science*, forthcoming.
- CHERCHYE, L. and VERMEULEN, F. (2004), Robust rankings of multidimensional performances: an application to Tour de France racing cyclists, *Journal of Sports Economics*, forthcoming.
- DECOSTER, A. (2005), The surprising progressivity of indirect taxes in Russia, *Economics of Transition* 13(4), p. 705-729.
- KUOSMANEN, T., CHERCHYE, L. and SIPILÄINEN, T. (2006), The law of one price in data envelopment analysis: restricting weight flexibility across firms, *European Journal of Operational Research* 170(3), p. 735-757.
- LAMBERT, P. and DECOSTER, A. (2005), The Gini coefficient reveals more, *Metron*, forthcoming.
- LASKE-ALDERSHOF, T., SCHUT, E., BECK, K., GRESS, S., SHMUELI, A. and VAN DE VOORDE, C. (2004), Consumer mobility in social health insurance markets: a five-country comparison, *Applied Health Economics and Health Policy* 3(4), p. 229-241.
- OOGHE, E. and LAUWERS, L. (2005), Non-dictatorial extensive social choice, *Economic Theory* 25(3), p. 721-743.
- SCHOKKAERT, E. and VAN DE VOORDE, C. (2005), Health care reform in Belgium, *Health Economics* 14, S25-S39.

Articles in other reviewed journals

- ALEXANDER, J. and DECANCQ, K. (2005), Measuring Human Development, *Frontline* 22(4).
- SCHOKKAERT, E., VAN DE VOORDE, C., WILLEME, P., VANDEVYVERE, W. and VERHELLE, C. (2005), De groei van de uitgaven in de gezondheidszorg, *Documentatieblad van het Ministerie van Financiën*, forthcoming.
- VAN ROMPUY, P. (2005), De coördinatie van het budgettair beleid, *Documentatieblad van het Ministerie van Financiën* 1, p. 305-323.
- ZULUAGA, B., GONZALEZ, N., GOMEZ, J. and MORA, J. (2004), Los beneficios de señalar en el Mercado laboral en Cali, *Revista Estudios Gerenciales* 92.
- ZULUAGA, B. (2004), Looking for a road to get out of poverty. Is the current allocation of public spending in Colombia helping?, *Revista Estudios Gerenciales* 93.

Contributions to books

- DECOSTER, A. (2005), Ongelijkheid en armoede op wereldvlak: wat meten we? wat weten we?, in RAYMAKERS, B. and VAN RIEL, G. (eds.), *Hoe dichtbij is de toekomst? Lessen voor de eenentwintigste eeuw*. Leuven: University Press Leuven.
- SCHOKKAERT, E. (2005), The welfare state under pressure. Shifts in the egalitarian ideal, in SIMOENS, D. et al. (eds.), *Sociale zekerheden in vraagvorm*, p. 385-399. Antwerpen/Oxford: Intersentia,
- SCHOKKAERT, E. (2005), The reform of the Belgian pension system: making value judgments explicit, in *Les Finances Publiques: Défis à Moyen et Long Termes* (CIFop, 2005), p. 177-202.
- ORSINI, K. (2005), Fiscalité et sécurité sociale entre fédéralisme et décentralisation: quelles organisations? Quelles solidarités?, in MIGNOLET, M. (ed.), *Le Fédéralisme Fiscal*. Brussel: de Boeck.
- VAN ROMPUY, P. (2005), La coordination des politiques budgétaires en Belgique: 15 ans d'expérience du Conseil Supérieur des Finances, in MIGNOLET, M. (ed.), *Le Fédéralisme Fiscal*, p. 378-395. Brussel : de Boeck,

Research papers

- CHERCHYE, L., DE ROCK, B. and VERMEULEN, F. (2005), Opening the black box of intra-household decision-making: theory and non-parametric empirical tests of general collective consumption models, *CES Discussion Paper* 05.11, Leuven (also appeared as: *CentER Discussion Paper*, 2005-51, Tilburg, CentER; *IZA Discussion Paper* 1603, Institute for the Study of Labour, Bonn).
- CHERCHYE, L., KNOX LOVELL, C.A., MOESEN, W. and VAN PUYENBROECK, T. (2005), One market, one number? A composite indicator assessment of EU internal market dynamics, *CES Discussion Paper* 05.13. Leuven.
- CHERCHYE, L., MOESEN, W., ROGGE, N. and VAN PUYENBROECK, T. (2005), On the use of benefit of the doubt and its extensions in constructing composite indicators: the case of the technology achievement index, *Center for Economic Studies*. Leuven.
- CHERCHYE, L., MOESEN, W., ROGGE, N. and VAN PUYENBROECK, T. (2005), An introduction to "Benefit of the Doubt" composite indicators, *Center for Economic Studies*. Leuven.
- CHERCHYE, L., OOGHE, E. and VAN PUYENBROECK, T. (2005), Robust human development Rankings, *CES Discussion Paper* 05.16. Leuven.
- DECOSTER, A. and DE SWERDT, K. (2005), Why and how to construct a genuine Belgian price index for house sales? *CES Discussion Paper* 05.15. Leuven.
- DECOSTER, A. and DE SWERDT, K. (2005), Hoe maken we een echte prijsindex voor woningverkoop in België?, *SBOV*. Leuven.

- DECOSTER, A. and OOGHE, E. (2005), A bounded index test for robust heterogeneous welfare comparisons, *CES Discussion Paper* 05.05. Leuven.
- DECOSTER, A. and SHORROCKS, T. (2005), DARTS: a microsimulation model for the Russian tax benefit system, *WIDER Discussion Paper*. Helsinki.
- DECOSTER, A. and VAN CAMP, G. (2005), Hoe vlak is onze taks? Is een vlaktaks "fair"?, *CES Leuvense Economische Standpunten*. 110. Leuven.
- DE WITTE, K. and MOESEN, W. (2005), Roergangers zonder peillood: over het valoriseren van intercommunales, *Centre for Economic Studies*. Leuven.
- KUOSMANEN, T., KORTELAJINEN, M., SIPILÄINEN, T. and CHERCHYE, L. (2005), Firm and industry level profit efficiency analysis under incomplete price data: a nonparametric approach based on absolute and uniform shadow prices, *Discussion Papers* 31, *University of Joensuu, Department of Business and Economics*.
- MOESEN, W. (2005), Gemeentelijk goed en rekenschappelijk bestuur, *Centre for Economic Studies*, Leuven.
- OOGHE, E. (2005), Sequential dominance and weighted utilitarianism, *CES Discussion Paper* 05.18, Leuven.
- OOGHE, E. and LAMBERT, P. (2005), On sequential dominance criteria, *University of Oregon Discussion paper* 2005-06. Leuven
- ORSINI, K. (2005), The 2001 Belgian tax reform: equity and efficiency, *CES Discussion Paper* 05.04. Leuven.
- SCHOKKAERT, E. and VAN DE VOORDE, C. (2005), De evolutie van de uitgaven voor raadplegingen en bezoeken van geneesheren: een econometrische analyse, in KCE, IMA, CES-KUL, FPB. *Evolutie van de uitgaven voor gezondheidszorg*. Report. Brussels: Federaal Kenniscentrum voor de Gezondheidszorg (KCE); July 2005. . KCE Reports 15A (D/2005/10.273/13), 167-231.
- ZULUAGA, B., BARONA, B. and CAICEDO, H. (2005), Efficiency and expense preference in the Colombian financial cooperative sector. Available at SSRN.

Editorial activities:

André Decoster became a member of the editorial board of the *International Journal of Microsimulation*.

Research projects

Equilibrium theory and optimization for public and industry regulation, January 2002 – December 2006, IUAP-PAI project funded by the Belgian Science Policy Office, supervised by E. Schokkaert.

The project is devoted to further developments in equilibrium theory, using the tools provided by advances in optimization, and aiming at an analysis of socially relevant issues in public policy and in the regulation of social and industrial organizations.

The role of non-separable aggregation for the construction of a broader concept of the living standard and social welfare, January 2003 – December 2006, funded by Research Foundation Flanders and BOF, supervised by A. Decoster.

The project wants to integrate an extended version of the standard model for intertemporal individual decision making in modern welfare analysis. Particular attention is paid to the consequences of dropping various separability assumptions in the welfare function. Traditional welfare functions contain two levels of separability, to wit separability between individuals in the social welfare function, and, within the individual well-being functions composing the welfare function, separability over time.

Microsimulation of social security, January 2003 - December 2005, funded by the Belgian Science Policy Office, supervised by A. Decoster.

The objective of the project is to construct a simulation model with which various policy measures in social security can be simulated. Next to these social security effects, the model should also calculate the consequences of these social security reforms on personal income taxes. The various policy domains that are to be modelled are the following: the contribution of employers and employees to the social security system, pensions, sickness and health insurance benefits, unemployment benefits and household benefits. The idea is to combine these policy domains within a single model. The model should then allow a simulation of the total impact of important reforms in one of the listed domains at a micro-level. However, the objective is not to calculate the exact impact on net income of each possible reform for each possible individual case.

Construction of a distribution mechanism for health insurance revenues, January 2003 - March 2006, funded by RIZIV/INAMI, supervised by E. Schokkaert.

The objective of this research project is the development of an operational explanatory model for the medical consumption of all social insured persons within the scope of the Belgian compulsory health insurance system. On the basis of the statistical results, a distribution mechanism is derived to allocate the total health care budget across the different mutualities (national health insurance companies), so as to compensate them as well as possible for the differences in the risk profile of their membership.

Social justice and risk: new approaches, January 2004 – December 2007, funded by ESF-Research Foundation Flanders, supervised by E. Schokkaert.

This proposal brings together economic theory and survey methodology in order to focus on some key questions of social justice. These are issues about which people usually have strong views, which may not be appropriately captured by conventional theoretical approaches. They will be investigated using a newly developed Internet approach to implementing questionnaire studies and experiments. The project draws upon a diversity of complementary research skills from different participating countries (Belgium, Germany and Spain) and will undertake international comparisons principally within the European context.

Prediction of total health care expenditures, June 2004 – May 2005, funded by KCE, supervised by E. Schokkaert.

The purpose of the project (which is being carried out jointly with the Belgian Planning Bureau and IMA) is to explore the feasibility of constructing a prediction model for health care expenditures in Belgium.

KEI: Knowledge Economy Indicators, September 2004 – February 2007, funded by EC, supervised by W. Moesen.

The project is financed within the Sixth Framework Programme of the European Commission. The project's aim is to develop and improve indicators for the knowledge economy, including an analysis of aggregation issues and the use of composite indicators. The KEI project will review existing concepts and definitions of the knowledge-based economy and its key components. It will develop main thematic areas in relation to the Lisbon and Barcelona objectives. KEI will then use these themes to classify existing indicators and thoroughly explore data and indicator quality issues. Gaps will be identified and the way forward will be mapped, identifying innovative approaches to improve the understanding and appraisal of the knowledge economy. Composite indicators will be analyzed in detail using both statistical and participatory approaches, including the use of multi-criteria methods, and an evaluation of analytical and presentational techniques. Simulation methods will be extensively employed to investigate the robustness of indicators and the conclusions based on them. The study will evaluate the quality and accuracy of indicators and the underlying data and will access the innovative use of additional information to improve indicator quality.

Tax treatment of housing and its effects on living standards, January 2002 – December 2006, funded by the Flemish Government, supervised by A. Decoster and B. Capéau.

The purpose of the project is to assess the the distributional and welfare effects of the tax treatment of housing. At a cross-sectional level, the welfare costs of taxes are measured through the impact of different taxes on the user cost of owner-occupied houses. From the theoretical literature it follows that transaction taxes, such as registration fees, are expected to primarily influence the timing of the purchase of a dwelling and residential mobility, rather than the size and quality of owner-occupied houses. From this inter-temporal perspective, the optimal time in the life cycle of a household to buy a house was analyzed, using an ordered logit model. Higher transaction taxes seem to postpone this decision until later in the life cycle. By means of duration models, the factors influencing the length of stay in the same house are assessed. Incorporating tax elements in these analyses allows simulating the impact of tax changes on both these decisions. The final objective of the project is to calculate the distributional and welfare effects of these tax changes.

Survey on health, aging and retirement, January 2005 - December 2005, funded by the Belgian Science Policy Office, supervised by E. Schokkaert.

Own payments and equality of access in the Belgian health care system, March 2005 – February 2006, subcontract with UA, funded by KCE, supervised by E. Schokkaert.

The purpose of the project is to draw up an empirical picture of the co-payments to be paid by patients in Belgium. Combining these data with the degree to which different groups of individuals have supplementary insurance gives an idea of the extent of the problem of financial access to the health care system.

Seminars and workshops

The **Public Economics Workshop**, co-organized by Erik Schokkaert, André Decoster, Wim Moesen, Paul Van Rompuy and Guido de Bruyne, met as follows:

February 25, 2005: STUDIEDAG FISCAAL SPOOR SBOV, Brussel: *Reacties van de burgers op de verlaging en de invoering van de meeneembaarheid van de registratierechten.*

March 2, 2005: LARS SCHWETTMANN (University of Osnabrueck), *Equity, responsibility and the cultural dimension.*

March 16, 2005: CHRISTIAN TRAXLER (Munich Graduate School of Economics and CREED – University of Amsterdam), *Social norms and the voluntary provision of public goods: Voting and welfare.*

April 7, 2005: KRISTOF BOSMANS (K.U. Leuven – C.E.S.), *Inequality and Quasi-Concavity.*

April 21, 2005: ROSA MARIA GARCIA FERNANDEZ (K.U. Leuven – C.E.S. & University of Granada), *Does Progressivity imply a Reduction of the Income Concentration?*

December 21, 2005: KRISTIAN ORSINI (K.U. Leuven – C.E.S.), *Making work pay in a rational labour market.*

External visiting:

From June to September, Kristian ORSINI was visiting researcher at the DIW, Berlin (German Institute for Economic Research).