Report on DNB Research programme 2011

In 2011 59 DNB working papers were published. Working papers can be downloaded at: http://www.dnb.nl/publicatie/publicaties-dnb/dnb-working-papers-reeks/dnb-working-papers/index.jsp.

Appendix 1 provides an overview. DNB Working papers are now also included in SSRN, which has increased the number of downloads substantially; see: http://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalbrowse&journal_id=1934271.

The most downloaded working papers as published in 2011 were numbers 278 (with 343 downloads) and 337 (247 downloads).

Appendix 2 provides an overview of the status of the projects included in the 2011 DNB research programme. In 2011 the DNB Research programme had 5 thematic themes:

1. Monetary strategy and price stability
2. Central bank transparency and communication
3. Financial stability and macro-prudential supervision
4. Micro-prudential supervision and conduct of financial institutions
5. Financial literacy and behaviour of households and companies


Table 1 summarizes the progress made. In 2011 7 (out of 68) projects were stopped for various reasons, mostly lack of good results, while 39 projects resulted in papers that have or will soon be published and/or are under review by a journal. In 2012 22 projects of the Research programme 2011 will be continued.

Table 1. Overview of the status of the projects in 2011 DNB research programme

<table>
<thead>
<tr>
<th>Theme</th>
<th>Total number of projects</th>
<th>Published as WP or under review</th>
<th>Will soon be published</th>
<th>Will be continued in 2012</th>
<th>Stopped</th>
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<tbody>
<tr>
<td>1.</td>
<td>8</td>
<td>4</td>
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<tr>
<td>3.</td>
<td>25</td>
<td>11</td>
<td>2</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>4.</td>
<td>17</td>
<td>9</td>
<td>1</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>5.</td>
<td>10</td>
<td>6</td>
<td>--</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>4</td>
<td>--</td>
<td>2</td>
<td>--</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>36</td>
<td>3</td>
<td>22</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 2 provides an overview of publications in international journals, while table 3 summarizes the number of books and contributions to books.

Table 2. Journal publications by DNB staff in 2009-2011

<table>
<thead>
<tr>
<th></th>
<th>A journals</th>
<th>B journals</th>
<th>C journals</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>3</td>
<td>15</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>2010</td>
<td>3</td>
<td>19</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>2011</td>
<td>4</td>
<td>16</td>
<td>9</td>
<td>3¹</td>
</tr>
<tr>
<td>Forthcoming²</td>
<td>4</td>
<td>15</td>
<td>8</td>
<td>10</td>
</tr>
</tbody>
</table>

¹ Includes one publication in journal that has A-status on TI list.
² Measured at end of January 2011 (includes papers already published in 2012).
Table 3. Books and contributions in books by DNB staff in 2010-2011

<table>
<thead>
<tr>
<th></th>
<th>Books (monographs and edited volumes) by publishers on DNB list</th>
<th>Other books</th>
<th>Contributions in books by publishers on DNB list</th>
<th>Other contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 1</td>
<td>--</td>
<td>7</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>2011 1</td>
<td>--</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Forthcoming 2</td>
<td>--</td>
<td>4</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

In 2011 the DNB Visiting Scholar Programme was again very successful. We were able to attract a number of excellent scholars who gave seminars and/or policy lectures and interacted with DNB staff. Table 4 gives an overview of the visiting scholars who visited DNB in 2011.

Table 4. Visiting scholars 2011

| Steven Ongena      | Tilburg University       |
| Simon van Norden   | HEC Montreal             |
| Xavier Freixas     | Universitat Pompeu Fabra, Barcelona |
| Eric van Wincoop   | University of Virginia/NBER |
| Luc Laeven         | IMF                      |
| Enrique Mendoza    | Maryland University      |
| Rodney Garratt     | University of California |
| Adrian Pagan       | Sydney University        |
| Simon Gilchrist    | Boston University        |
| Giulia Iori        | City University London   |

In 2011 the following conferences and workshop were organised:

- 26-27 May 2011: Banking and the Globalization of Finance (together with the European banking Center of Tilburg University)
- 30-31 May 2011: Working Group on Econometric Modelling (WGEM)
- 13-14 October 2011: Workshop on Preventing and Correcting Macroeconomic Imbalances in the Euro Area (together with the IMF)
- 3-4 November 2011: 14th Annual Research Conference 'Complex systems: Towards a better understanding of financial stability and crises'
- 13 December 2011: Seminar 'The future of Banking' (together with the European banking Center of Tilburg University and the Duisenberg School of Finance).

In 2011 there were 22 seminars by external speakers (partly in collaboration with CIFRA) and 30 seminars by internal speakers. In 2012 the collaboration with CIFRA will be continued, which will enable us to attract some excellent speakers in the field of financial economics.
### Appendix 1. DNB Working Papers in 2011

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>276</td>
<td>Monitoring the unsecured interbank money market using TARGET2 data</td>
<td>Ronald Heijmans, Richard Heuver and Daniëlle Walraven</td>
</tr>
<tr>
<td>277</td>
<td>Communicating Bailout Policy and Risk Taking in the Banking Industry</td>
<td>Jakob Bosma</td>
</tr>
<tr>
<td>278</td>
<td>Credit Rating Agencies</td>
<td>Jakob de Haan and Fabian Amtenbrink</td>
</tr>
<tr>
<td>279</td>
<td>Running for the Exit: International Banks and Crisis Transmission</td>
<td>Ralph de Haas and Neeltje van Horen</td>
</tr>
<tr>
<td>280</td>
<td>I Kadek Dian Sutrisna Artha and Jakob de Haan, Labor Market Flexibility and the Impact of the Financial Crisis</td>
<td></td>
</tr>
<tr>
<td>281</td>
<td>Systematic risk under extremely adverse market conditions</td>
<td>Maarten van Oordt and Chen Zhou</td>
</tr>
<tr>
<td>282</td>
<td>Bank Size, Market Concentration, and Bank Earnings Volatility in the US</td>
<td>Jakob de Haan and Tigran Poghosyan</td>
</tr>
<tr>
<td>283</td>
<td>How do inflation expectations form? New insights from a high-frequency survey</td>
<td>Gabriele Galati, Peter Heemeeijer and Richhild Moessner</td>
</tr>
<tr>
<td>284</td>
<td>Statistical evidence on the mean reversion of interest rates</td>
<td>Jan Willem van den End</td>
</tr>
<tr>
<td>285</td>
<td>Price dispersion in Europe: Does the business cycle matter?</td>
<td>Marco Hoeberichts and Ad Stokman</td>
</tr>
<tr>
<td>286</td>
<td>Economy wide risk diversification in a three-pillar pension system</td>
<td>Cai Cai Du, Joan Muysken and Olaf Sleijpen</td>
</tr>
<tr>
<td>287</td>
<td>Transmission of the Financial and Sovereign Debt Crises to the EMU: Stock Prices, CDS Spreads and Exchange Rates</td>
<td>Theoharry Grammatikos and Robert Vermeulen</td>
</tr>
<tr>
<td>288</td>
<td>Macro and micro drivers of house Price dynamics: An application to Dutch data</td>
<td>Gabriele Galati, Federica Teppa and Rob Alessi</td>
</tr>
<tr>
<td>289</td>
<td>Financial Literacy, Retirement Preparation and Pension Expectations in the Netherlands.</td>
<td>Rob Alessie, Maarten van Rooij and Annamaria Lusardi</td>
</tr>
<tr>
<td>290</td>
<td>Public versus Private Information</td>
<td>Maria Demertzis</td>
</tr>
<tr>
<td>291</td>
<td>A Pigovian Approach to Liquidity Regulation</td>
<td>Enrico C. Perotti and Javier Suarez</td>
</tr>
<tr>
<td>292</td>
<td>Forecasting Financial Stress</td>
<td>Jan Willem Slingenberg and Jakob de Haan</td>
</tr>
<tr>
<td>293</td>
<td>Banks’ responses to funding liquidity shocks: lending adjustment, liquidity hoarding and fire sales</td>
<td>Leo de Haan and Jan Willem van den End</td>
</tr>
<tr>
<td>294</td>
<td>Investment risk taking by institutional investors</td>
<td>Janko Gorter and Jacob A. Bikker</td>
</tr>
<tr>
<td>295</td>
<td>Employment Protection, Technology Choice, and Worker Allocation</td>
<td>Eric J. Bartelsman, Pieter A. Gautier, and Joris de Wind</td>
</tr>
<tr>
<td>296</td>
<td>The simple econometrics of tail dependence</td>
<td>Maarten R.C. van Oordt and Chen Zhou</td>
</tr>
<tr>
<td>297</td>
<td>Transparency of banking supervisors</td>
<td>Franka Liedorp, Robert Mosch, Carin van der Cruijsen and Jakob de Haan</td>
</tr>
<tr>
<td>298</td>
<td>Individual Expectations and Aggregate Macro Behavior</td>
<td>Tiziana Assenza, Peter Heemeeijer, Cars Hommes and Domenica Massaro</td>
</tr>
<tr>
<td>299</td>
<td>Home Bank Intermediation of Foreign Direct Investment</td>
<td>Steven Poelhekke</td>
</tr>
<tr>
<td>300</td>
<td>Card acceptance and surcharging: the role of costs and competition</td>
<td>Nicole Jonker, Mark Mink, Procyclical Bank Risk-Taking and the Lender of Last Resort</td>
</tr>
<tr>
<td>301</td>
<td>Can the Longevity Risk Alleviate the Annuityization Puzzle? Empirical Evidence from Dutch Data</td>
<td>Federica Teppa, Iman van Lelyveld and Marco Spaltro</td>
</tr>
<tr>
<td>302</td>
<td>“Leaning Against the Wind” and the Timing of Monetary Policy</td>
<td>Itai Agur and Maria Demertzis, Itai Agur, Bank Risk within and across Equilibria</td>
</tr>
<tr>
<td>303</td>
<td>Have market views on the sustainability of fiscal burdens influenced monetary authorities' credibility?</td>
<td>Gabriele Galati, John Lewis, Steven Poelhekke, Iman van Lelyveld, Matej Marinč and Razvan Vlahu, Enrico Perotti, Lev Ratnovski,</td>
</tr>
<tr>
<td>304</td>
<td>Bank Risk within and across Equilibria</td>
<td>Itai Agur, Bank Risk within and across Equilibria</td>
</tr>
<tr>
<td>305</td>
<td>Coordinating Bank Failure Costs and Financial Stability</td>
<td>Iman van Lelyveld and Marco Spaltro, Coordinating Bank Failure Costs and Financial Stability</td>
</tr>
<tr>
<td>306</td>
<td>Capital Regulation and Tail Risk</td>
<td>Federica Teppa, Can the Longevity Risk Alleviate the Annuityization Puzzle? Empirical Evidence from Dutch Data</td>
</tr>
<tr>
<td>307</td>
<td>“Leaning Against the Wind” and the Timing of Monetary Policy</td>
<td>Enrico Perotti, Lev Ratnovski, Razvan Vlahu, Capital Regulation and Tail Risk</td>
</tr>
<tr>
<td>308</td>
<td>Exchange Rate Pass-Through and Monetary Integration in the Euro Area</td>
<td>Ayako Saiki, Exchange Rate Pass-Through and Monetary Integration in the Euro Area</td>
</tr>
<tr>
<td>309</td>
<td>Interdependence of Fiscal Debts in EMU</td>
<td>Maria Demertzis and Nicola Viegi, Interdependence of Fiscal Debts in EMU</td>
</tr>
<tr>
<td>310</td>
<td>The Economic Perspective of Bank Bankruptcy Law</td>
<td>Matej Marinč and Razvan Vlahu, The Economic Perspective of Bank Bankruptcy Law</td>
</tr>
<tr>
<td>311</td>
<td>Real Pension Rights as a Control Mechanism for</td>
<td>Jacob Bikker, Thijs Knaap and Ward Romp, Real Pension Rights as a Control Mechanism for</td>
</tr>
</tbody>
</table>
Pension Fund Solvency

Stefan Trautmann and Razvan Vlahu, Strategic Loan Defaults and Coordination: An Experimental Analysis

Maarten van Rooij, Annamaria Lusardi and Rob Alessie, Financial Literacy, Retirement Planning, and Household Wealth

Irina Stanga, Sovereign and Bank Credit Risk during the Global Financial Crisis

Carin van der Cruijsen, Jakob de Haan, David-Jan Jansen and Robert Mosch, Household savings behaviour in crisis times

Ronald Heijmans and Richard Heuver, Is this bank ill? The Diagnosis of doctor TARGET2

Michel Beine, Elisabetta Lodigiani and Robert Vermeulen, Remittances and Financial Openness

Joras Ferwerda, Mark Kattenberg, Han-Hsin Chang, Brigitte Unger, Loek Groot and Jacob Bikker, Gravity Models of Trade-based Money Laundering

Jos Jansen and Ad Stokman, International Business Cycle Comovement: Trade and Foreign Direct Investment

Jasper de Winter, Forecasting GDP growth in times of crisis: private sector forecasts versus statistical models

Hanna Samaryna and Jakob de Haan, Right on Target: Exploring the Determinants of Inflation Targeting Adoption

Ralph de Haas and Iman van Lelyveld, Multinational Banks and the Global Financial Crisis. Weathering the Perfect Storm?

Jeroen Klomp and Jakob de Haan, Banking risk and regulation: Does one size fit all?

Robert Vermeulen, International Diversification During the Financial Crisis: A Blessing for Equity Investors?

Friederike Niepmann, Banking across Borders

Dirk Broeders, An Chen and David Rijssbergen, Valuation of Liabilities in Hybrid Pension Plans

M. Hashem Pesaran, Andreas Pick and Mikhail Pranovich, Optimal Forecasts in the Presence of Structural Breaks

Anneke Kosse and David-Jan Jansen, Choosing how to pay: the influence of home country habits

Wilko Bolt, Maria Demertzis, Cees Diks and Marco van der Leij, Complex Methods in Economics: An Example of Behavioral Heterogeneity in House Prices

Stijn Claessens and Neeltje van Horen, Foreign Banks: Trends, Impact and Financial Stability

Wilko Bolt and Sujit Chakravorti, Pricing in Retail Payment Systems: A Public Policy Perspective on Pricing of Payment Cards

Wilko Bolt, Elizabeth Foote and Heiko Schmiedel, Consumer credit and payment cards

Aleš Bulíř, Martin Čihák, and David-Jan Jansen, Clarity of Central Bank Communication About Inflation

Jakob de Haan and David-Jan Jansen, Corporate culture and behaviour: A survey

Total in 2011: 59 working papers
Appendix 2: Research projects 2011

1. Monetary strategy and price stability

*Inflation differentials in the euro area and market flexibility* (project started in 2010)
Jakob de Haan, Leo de Haan
Status: project has been stopped due to lack of results.

*Experiments with monetary policy rules in a multi country macro model framework*
Jakob de Haan, Ad Stokman and Peter van Els
Status: will be continued in 2012.

*Market views on the sustainability of fiscal burdens during the crisis*
Gabriele Galati, John Lewis, Steven Poelhekke and Chen Zhou
Status: published as DNB working paper 304.

*The zero lower bound and ECB interest rate policy since the crisis*
John Lewis, Stefan Gerlach (Frankfurt University)
Status: published as CEPR Discussion Paper 8472.

*The reliability of output gaps for forecasting inflation in times of persistent large output gaps*
John Lewis, Simon van Norden (HEC, Montreal)
Status: on hold due to secondment to Bank of England.

*Price dispersion squeezing during economic downturns* (project started in 2010)
Marco Hoeberichts and Ad Stokman
Status: published as DNB working paper 285.

*Macro-economic evidence and consequences of time-varying price elasticities of demand*
Marco Hoeberichts and Ad Stokman
Status: project has been stopped and replaced by another project.

*House prices and aggregate demand*
Vincent Sterk
Status: submitted to journal.

2. Central bank transparency and communications

*Clarity of central bank communication: a cross-country analysis*
A. Bulir (IMF), Martin Cihak (IMF) and David-Jan Jansen
Status: published as DNB working paper 333.

*Did oral interventions by the Indonesian central bank support the rupiah?*
Sahminan Sahminan (Bank Indonesia) and Jakob de Haan
Status: under review with a journal.

3. Financial stability and macro-prudential supervision

*Small shocks, systemic risk and market breakdown*
Itai Agur
Status: published as DNB working paper 305.

*Can infrastructure-related systemic risk be eliminated or mitigated?* (project started in 2010)
Ron Berndsen
Status: will be continued in 2012.
A complex model for early warning for financial crises (project started in 2010)  
Wilko Bolt and Maria Demertzis  
Status: published as DNB working paper 329.

Debit or credit?  
Wilko Bolt, Elizabeth Foote (London School of Economics) and Heiko Schmiedel (European Central Bank)  
Status: published as DNB working paper 332.

Bank contagion during the EU sovereign debt crisis  
Jakob de Haan and Mark Mink  
Status: will soon be published as DNB working paper.

Trade dynamics in EMU: Are deficits and surpluses related?  
Jakob de Haan, Peter Wierts and Henk van Kerkhoff  
Status: paper presented at conference; project will be continued in 2012.

Liquidity management of banks under stress (project started in 2010)  
Leo de Haan and Jan Willem van den End  
Status: published as DNB working paper 293.

Public versus private information  
Maria Demertzis  
Status: published as DNB working paper 290.

Investor mood and stock returns: high-frequency evidence  
Michael Ehrmann (European Central Bank) and David-Jan Jansen  
Status: will soon be published as DNB working paper.

Financial crises and macroeconomic performance  
Gabriele Galati and Chen Zhou  
Status: will be continued in 2012.

Industry performance and leverage during the financial crisis  
Theoharry Grammatikos (Luxembourg School of Finance) and Robert Vermeulen  
Status: will be continued in 2012.

EMU financial contagion and the sovereign debt crisis  
Theoharry Grammatikos (Luxembourg School of Finance) and Robert Vermeulen  
Status: published as DNB working paper 287; forthcoming in Journal of International Money and Finance.

Bank credit constraints and automatic stabilizers (project started in 2010)  
Willem Heeringa, Job Swank  
Status: will be continued in 2012.

The empirical relationship between demographics and real house prices: the Netherlands versus the US (project started in 2010)  
Willem Heeringa, Job Swank  
Status: will be continued in 2012.

Is this bank ill? The diagnosis of doctor TARGET2  
Ronald Heijmans and Richard Heuver  
Status: published as DNB working paper 316.
Reconnecting the pipes: The plumber of the interbank money market.
Ronald Heijmans and Richard Heuver
Status: published as DNB working paper 276.

Enforcing the Stability and Growth Pact in real time
John Lewis
Status: project has been stopped due to secondment at Bank of England.

Forecasting financial stress
Jan Willem Slingenberg and Jakob de Haan
Status: published as DNB working paper 292.

Lumpy borrowing and aggregate dynamics
Vincent Sterk
Status: project has been stopped as author left DNB.

Strategic loan defaults and coordination: An experimental analysis
Stefan Trautmann (Tilburg University) and Razvan Vlahu
Status: published as DNB working paper 312.

Credit and liquidity risk pricing in interbank markets
Iman van Lelyveld
Status: will be continued in 2012.

Systematic risk under extremely adverse market conditions (project started in 2010)
Maarten van Oordt and Chen Zhou
Status: published as DNB working paper 281.

The sensitivity of banks to system shocks
Maarten van Oordt and Chen Zhou
Status: will be continued in 2012.

Collective strategic defaults: Bailouts and repayment incentives
Razvan Vlahu
Status: will be continued in 2012.

Currency crises linkage: weak or strong?
Chen Zhou
Status: will be continued in 2012.

4. Micro-prudential supervision and conduct of financial institutions

Intra-bank competition and risk taking
Itai Agur, Wilko Bolt and Chen Yeh
Status: will be continued in 2012.

The impact of the financial crisis on the international banking network
Beata Bierut, Julian von Landesberger (European Central Bank) and Tatiana von Landesberger (Technische Universität Darmstadt)
Status: project has been stopped.

Developments in competition and efficiency in the Dutch insurance industry
Jaap Bikker and Jalal Mrabti (University of Utrecht)
Status: will be continued in 2012.
**Dynamic adjustment of stock prices to the fundamental value: An error correction approach**
Jaap Bikker, Pauline Broertjes (University of Utrecht) and Laura Spierdijk (University of Groningen)
Status: will be continued in 2012.

**Measuring competition across US banks (project started in 2010)**
Wilko Bolt and Dave Humphrey (Florida State University)
Status: will be continued in 2012.

**Solvency regulation of contingent pension benefits**
Dirk Broeders and David Rijsbergen
Status: published as DNB working paper 326.

**Trends in foreign banking: A database on foreign bank ownership**
Stijn Claessens (International Monetary Fund) and Neeltje van Horen
Status: published as IMF working paper 12/10 and DNB working paper 330.

**Conduct and cultural risks: a survey**
Jakob de Haan, Rosa Maljaars, Kirsten Spahr van der Hoek
Status: published as DNB working paper 334 (with David-Jan Jansen).

**Foreign bank subsidiaries during the crisis: facing the perfect storm**
Ralph de Haas (European Bank for Reconstruction and Development) and Iman van Lelyveld
Status: published as DNB working paper 322.

**The economics of bank bankruptcy law**
Matej Marinc (University of Ljubljana) and Razvan Vlahu
Status: published as DNB working paper 310.

**Global financial contagion, foreign bank ownership and credit availability**
Steven Ongena (Tilburg University), Jose Luis Peydro Alcalde (ECB) and Neeltje van Horen
Status: will be continued in 2012.

**Capital regulation and tail risks**
Enrico Perotti (University of Amsterdam, Lev Ratnovski (International Monetary Fund) and Razvan Vlahu
Status: published as DNB working paper 307; forthcoming in International Journal of Central Banking.

**Multinationals and the benefits of banking FDI**
Steven Poelhekke
Status: published as DNB working paper 299.

**The impact of bank regulation and supervision on bank soundness (project started in 2010)**
Choudhry Tanveer Shehzad (RUG) and Jakob de Haan
Status: published as DNB working paper 323 (with Jeroen Klomp); forthcoming in Journal of Banking and Finance.

**The crisis as a wake-up call. Do banks tighten monitoring and screening during a financial crisis?**
Neeltje van Horen (project started in 2010)
Status: published as DNB working paper 255.

**Contextual determinants of banks’ liquid buffers (project started in 2010)**
Iman van Lelyveld, Robert Zymek (Bank of England, Pompeu Fabra).
Status: will be continued in 2012.
Exploring the relationship between factional groups, conflict management, and pension fund board effectiveness
Dennis Veltrop (University of Groningen), Niels Hermes (University of Groningen), Theo Postma (University of Groningen) and Jakob de Haan
Status: will soon be published as DNB working paper.

5. Financial literacy and behaviour of households and companies

Financial behaviour of self-employed
Robert Paul Berben and Federica Teppa
Status: project stopped.

Knowledge and opinions about financial supervision: effects on trust and behaviour
Jakob de Haan, David-Jan Jansen, Robert Mosch and Carin van der Cruijsen
Status: published as DNB working paper 315.

Compensating insurance agents: commissions versus fees
Janko Gorter
Status: will be continued in 2012.

Household financial market expectations and investment choices in a financial crisis (project started in 2010)
Michael Hurd (RAND and NBER), Maarten van Rooij, Joachim Winter (University of Munich)
Status: project stopped.

Choice of payments instruments and ethnicity (project started in 2010)
David-Jan Jansen and Anneke Kosse
Status: published as DNB working paper 328.

Card acceptance and surcharging: the role of costs and competition (project started in 2010)
Nicole Jonker
Status: published as DNB working paper 300.

Do newspaper articles on debit card fraud affect debit card usage? (project started in 2010)
Anneke Kosse
Status: published as ECB working paper 1389; will be continued in 2012.

What is a clean Euro banknote? The Dutch public responds
Martijn Meeter, Frank van der Horst and Marcel van der Woude (VU University)

Subjective survival probabilities and the preference for annuities.
Federika Teppa and Maarten van Rooij
Status: published as DNB working paper 302 by Teppa.

Labelling, magnitude, ordering and choice set effects in individual preferences
Federika Teppa and Maarten van Rooij
Status: will be continued in 2012.
Other projects

*Employment protection, technology choice, and worker allocation* (project started in 2010)
Eric J. Bartelsman (VU University Amsterdam, TI), Joris de Wind and Pieter A. Gautier (VU University Amsterdam, TI)
Status: published DNB working paper 295.

*Key subjects in banknote design: banknote identity*
Hans de Heij
Status: will be continued in 2012.

*Nonlinear and stable perturbation-based approximations*
Wouter J. den Haan (UvA, TI) and Joris de Wind
Status: under review with journal.

*Reduced rank time-varying Vector Autoregressions* (project started in 2010)
Joris de Wind and Luca Gambetti (UAB, RECent)
Status: will be continued in 2012.

*A heterogeneous agent approach to explaining dispersion in the foreign exchange market*
Ron Jongen, Willem Verschoor (Erasmus University Rotterdam), Christian Wolff (Luxembourg School of Finance) and Remco Zwinkels (Erasmus University Rotterdam)
Status: under review with journal.

*Forecasting in the presence of structural breaks*
Andreas Pick
Status: published as DNB working paper 327.