

Industrial Organization Society's Best Paper/Younger Scholar Award

TO HELDER VASCONCELOS

The Industrial Organization Society's Best Paper/Younger Scholar Award is given for outstanding research by a younger scholar published in the *Review of Industrial Organization* during the previous year (in this case between August 2003 and December 2004). "Younger" is defined as less than 35 years of age, or with a Ph.D. awarded in the last 10 years.

A committee of three evaluates the eligible papers, stressing criteria of originality, technical excellence, quality of exposition, and contribution to the understanding of how the industrial economy functions. This year's committee consisted of Robin Prager, Michael Salinger, and Donald Alexander. The award was announced on April 8, 2005, at the International Industrial Organization Conference, which was held at the Georgia Institute of Technology in Atlanta, Georgia.

The committee selected Helder Vasconcelos for his paper, "Entry Effects on Cartel Stability and Joint Executive Committee" which appeared in the May 2004 issue. The award is accompanied by the following citation:

The Industrial Organization Society is pleased to select Helder Vasconcelos for the award for the best article by a younger scholar to appear in the *Review of Industrial Organization* during the past year.

This is a well-written, carefully executed paper that combines theory and empirical analysis and yields interesting results regarding cartel stability. It extends the well known Green and Porter (1984) cartel model to consider entry, allowing the incumbent firms to either punish or accommodate entry when it occurs. It then tests the implications of the theoretical model, using data from the Joint Executive Committee railroad cartel, which operated legally in the U.S. during the late 1800s. The econometric results support the model's prediction that the probability of a price war increases with an increase in the number of firms in the cartel. The model and empirical results suggest that, even when incumbents accommodate entry, entry can increase future cartel instability. We are pleased to recognize Professor Vasconcelos for this solid contribution to the industrial organization literature.