

# LUÍS M. B. CABRAL

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Professor of Economics, IESE Business School, University of Navarra.

## ■ Previous appointments

W. R. Berkley Term Professor of Economics, and Professor of Management and Organizations (by courtesy), Stern School of Business, New York University (on leave).

Visiting Professor, Dept. of Economics and Cowles Foundation, Yale University (2006–2007).

Chair, Department of Economics, Stern School of Business, New York University (2003–2006).

Visiting Associate Professor, Haas School of Business, U. California–Berkeley (1999–2000).

Associate Professor (1996–1998), Professor (1998–2000), London Business School.

Teaching Assistant (1984–85), Assistant Professor (1989–92), Associate Professor (1992–96), Professor (1996–2000), Faculdade de Economia, Universidade Nova de Lisboa.

Teaching and Research Assistant, Stanford University, 1988–89.

Summer intern, General Motors Research Laboratories (Operating Sciences Dept.), 1988.

Teaching Assistant, Universidade Católica Portuguesa, 1980–85.

## ■ Education

Ph.D. in Economics, June 1989, Stanford University. Thesis advisor: Paul Milgrom.

Masters in Economics, June 1985, Universidade Nova de Lisboa.

B.A. (“Licenciatura”) in Economics, June 1983, Universidade Católica Portuguesa.

## ■ Publications: journal articles

Cabral, Luís, and Ali Hortaçsu (2009), “The Dynamics of Seller Reputation: Theory and Evidence from eBay,” forthcoming in *Journal of Industrial Economics*.

Cabral, Luís (2009), “Umbrella Branding with Imperfect Observability and Moral Hazard,” *International Journal of Industrial Organization* **27**, 206–213.

Cabral, Luís, and Cristian Deszö (2008), “Technology Adoption With Multiple Alternative Designs and the Option to Wait,” *Journal of Economics and Management Strategy* **17**, 413–441.

Cabral, Luís, and Thomas Ross (2008), “Are Sunk Costs a Barrier to Entry?,” *Journal of Economics and Management Strategy* **17**, 97–112.

Anderson, Axel, and Luís Cabral (2007), “Go for Broke or Play it Safe? Dynamic Competition with Choice of Variance,” *Rand Journal of Economics* **38**, 593–609.

- Cabral, Luís (2007), “Small Firms in Portugal: A Selective Survey of Stylized Facts, Economic Analysis, and Policy Implications,” *Portuguese Economic Journal* **6**, 65–88.
- Cabral, Luís (2005), “An Equilibrium Approach to International Merger Policy,” *International Journal of Industrial Organization* **23**, 739–751.
- Cabral, Luís, and J. Miguel Villas-Boas (2005), “Bertrand Supertraps,” *Management Science* **51**, 599–613.
- Finalist, 2005 John D. C. Little Best Paper Award (INFORMS Society for Marketing Science).
- Cabral, Luís (2004), “Simultaneous Entry and Welfare,” *European Economic Review* **48**, 943–957.
- Cabral, Luís, and José Mata (2003), “On the Evolution of the Firm Size Distribution: Facts and Theory,” *American Economic Review* **93**, 1075–1090.
- Cabral, Luís (2003), “International Merger Policy Coordination,” *Japan and the World Economy* **15**, 21–30.
- Cabral, Luís (2003), “Horizontal Mergers With Free Entry: Why Cost Efficiencies May be a Weak Defense and Asset Sales a Poor Remedy,” *International Journal of Industrial Organization* **21**, 607–623.
- Cabral, Luís (2003), “R&D Competition When Firms Choose Variance,” *Journal of Economics and Management Strategy* **12**, 139–150.
- Cabral, Luís (2002), “Increasing Dominance With No Efficiency Effect,” *Journal of Economic Theory* **102**, 471–479.
- Cabral, Luís (2000), “Stretching Firm and Brand Reputation,” *RAND Journal of Economics* **31**, 658–673.
- Cabral, Luís (2000), “R&D Cooperation and Product Market Competition,” *International Journal of Industrial Organization* **18**, 1033–1047.
- Barros, Pedro P., and Luís Cabral (2000), “Competing For Foreign Direct Investment,” *Review of International Economics* **8**, 360–371.
- Arvan, Lanny, Luís Cabral, and Vasco Santos (1999), “Meaningful Cheap Talk Must Improve Equilibrium Payoffs,” *Mathematical Social Sciences* **37**, 97–106.
- Cabral, Luís, David Salant, and Glenn Woroch (1999), “Monopoly Pricing with Network Externalities,” *International Journal of Industrial Organization* **17**, 199–214.
- Cabral, Luís, António S. Mello (1997), “Exchange Rates and Market Shares,” *Economics Letters* **55**, 61–67. Erratum, **57** (1997), 127–128.
- Cabral, Luís, and Michael Riordan (1997), “The Learning Curve, Predation, Antitrust, and Welfare,” *Journal of Industrial Economics* **45**, 155–169.
- Cabral, Luís (1995), “Conjectural Variations as a Reduced Form,” *Economics Letters* **49**, 397–402.
- Cabral, Luís, and József Sákovics (1995), “Must Sell,” *Journal of Economics and Management Strategy* **4**, 55–68.
- Cabral, Luís (1995), “Sunk Costs, Firm Size and Firm Growth,” *Journal of Industrial Economics* **43**, 161–172.
- Translated into Chinese and published in *Economic Development Research* (East China University of Science and Technology), No. 4, 1996.
- Cabral, Luís (1994), “Bias in Market R and D Portfolios,” *International Journal of Industrial Organization* **12**, 533–547.

- Cabral, Luís, and with Michael H. Riordan (1994), “The Learning Curve, Market Dominance, and Predatory Pricing,” *Econometrica* **62**, 1115–1140.  
Reprinted in L Cabral (Ed), *Readings in Industrial Organization*, Oxford: Blackwell (2000).
- Barros, Pedro P., and Luís Cabral (1994), “Merger Policy in Open Economies,” *European Economic Review* **38**, 1041–1055.
- Cabral, Luís (1993), “Experience Advantages and Entry Dynamics,” *Journal of Economic Theory* **59**, 403–416.  
Co-Winner of the First Young Economist Essay Competition, EARIE, 1989.
- Cabral, Luís (1991), “Optimal Matching Auctions,” *Economics Letters* **37**, 7–9.
- Cabral, Luís, and Shane Greenstein (1990), “Switching Costs and Bidding Parity in Government Procurement of Mainframe Computers,” *Journal of Law, Economics and Organization* **6**, 453–469.
- Cabral, Luís (1990), “On the Adoption of Innovations with ‘Network’ Externalities,” *Mathematical Social Sciences* **19**, 299–308.
- Cabral, Luís (1990), “Optimal Pricing of the Portuguese Telephone Service,” *Applied Economics* **22**, 211–220.
- Cabral, Luís, and Michael H. Riordan (1989), “Incentives for Cost Reduction Under Price Cap Regulation,” *Journal of Regulatory Economics* **1**, 93–102.  
Reprinted in M. Einhorn (Ed), *Price Caps and Incentive Regulation in the Telecommunications Industry*, Norwell, Mass.: Kluwer Academic Publishers, 1991, pp. 155–165.
- Cabral, Luís (1988), “Asymmetric Equilibria in Symmetric Games with Many Players,” *Economics Letters* **27**, 205–208.

## ■ Publications: books

- Cabral, Luís (2000), *Introduction to Industrial Organization*, Cambridge, Mass.: MIT Press.  
Translated into Italian, Greek, Chinese, Russian.
- Cabral, Luís (Ed) (2000), *Readings in Industrial Organization*, Oxford: Blackwell.
- Cabral, Luís (1994), *Economia Industrial*, Lisbon: McGraw-Hill, 1994.  
Original in Portuguese, translated into Spanish.

## ■ Publications: book chapters

- Cabral, Luís (2008), “Economic Mobility,” in A. Mateus and T. Moreira (Eds), *Proceedings of the I Lisbon Conference on Competition Law and Economics*, Amsterdam: Kluwer.
- Cabral, Luís, and Tobias Kretschmer (2007), “Standards Battles and Public Policy,” in S. Greenstein and V. Stango (Eds), *Standards and Public Policy*, Cambridge, UK: CUP, pp. 329–344.
- Cabral, Luís (2006), “Equilibrium, Epidemic and Catastrophe: Diffusion of Innovations With Network Effects,” in C. Antonelli, B. Hall, D. Foray and E. Steinmueller (Eds), *New Frontiers in the Economics of Innovation and New Technology: Essays in Honor of Paul David*, London, UK: Edward Elgar, pp. 427–437.

- Cabral, Luís, and W. Robert Majure (1994), “An Empirical Analysis of Bank Branching: Portugal 1989–1991,” in D. Neven and L.-H. Roller (Eds), *The Empirical Analysis of Industrial Organization* (Report of a conference organized by the WZB, Berlin), London: CEPR, pp. 111–136.
- Cabral, Luís, and António Leite (1992), “Network Consumption Externalities: The Case of Portuguese Telex Service,” in C. Antonelli (Ed), *The Economics of Information Networks*, Amsterdam: North-Holland, 1992, pp. 129–139.
- Barros, Pedro P., and Luís Cabral (1992), “Foreign Entry and Domestic Welfare,” in J. F. Amaral, D. Lucena, A. S. Mello (Eds), *The Portuguese Economy Towards 1992*, Boston: Kluwer Academic Publishers, 1992, pp. 101–116.

### ■ Publications: other

- Cabral, Luís (2009), “Small Switching Costs Lead to Lower Prices,” *Journal of Marketing Research* **46**, 449–451.
- Cabral, Luís (2008), “Predatory Pricing,” in W. A. Darity, Jr. (Ed), *International Encyclopedia of the Social Sciences*, 2nd ed., Vol. 6, Detroit: Macmillan Reference USA, pp 428–429.
- Cabral, Luís (2008), “Barriers to Entry,” in Steven N. Durlauf and Lawrence E. Blume (Eds), *The New Palgrave Dictionary of Economics*, 2nd edition, Basingstoke and New York: Palgrave Macmillan.
- Cabral, Luís (2006), “Market Power and Efficiency in Card Payment Systems: A Comment on Rochet and Tirole,” *Review of Network Economics* **5**, 15–25.
- Cabral, Luís (2005), “Collusion Theory: Where to Go Next?,” *Journal of Industry, Competition and Trade* **5**, 199–206.
- Cabral, Luís (2003), Review of R. Hardin’s “Trust and Trustworthiness,” in *Journal of Economic Literature* **41**, 953–954.
- Cabral, Luís (2002), “The California Electricity Crisis,” *Japan and the World Economy* **14**, 335–339.
- Cabral, Luís (2002), Comments on Clemons, Hitt, Gu, Thatcher, and Weber, *Journal of Financial Services Research* **22**, 91–93.
- Cabral, Luís (1999), Comments on D. Sull and C. Markides, “easyJet’s \$500 Million Gamble,” *European Management Journal* **17**, 20–38.
- Opinion articles in various newspapers and magazines in Europe and the U.S.

### ■ Teaching materials (authored or co-authored)

- General economics and management: The Petroleum Market: 1970-2001; Competition Hits Deutsche Telecom; The Ill-fated GE/Honeywell Merger; Auctioning IPOs at WR Hambrecht + Co.; Iridium; Ideas at Disney; Jack Welch and General Electric; Compensation and Governance at Worlcom.
- Costs and pricing: The Airbus Beluga; Eurotunnel; Pricing at Dell; Monsanto’s Roundup; Merck, Aids, and Africa; Wednesdays at Cinemex.

Competition and cooperation: Britannica vs Encarta; De Beers and Beyond: The History of the International Diamond Cartel; Christie's and Sotheby's; Entering the Aspartame Market; Competition in the Wide-Body Aircraft Industry; VHS vs Betamax; The Magazine "Cover Gifts" War. Cooperation or competition?

Firm boundaries: Scale and Scope at Citigroup; Virgin Group Ltd.; Outsourcing at Ericsson; Sony and Loews.

## ■ Invited presentations

In the U.S. and Canada: Bell Communications Research Labs, Boston University (3+), California Institute of Technology, Columbia University (2), Cornell University, Dartmouth (Tuck School of Business), Drexel University (2), Duke-UNC (2), General Motors Research Labs, Georgetown University, GTE Labs, Harvard University, Iowa State University, Johns Hopkins University, MIT, New York University (3+), Northwestern University (2), PennState, Ohio State University, Purdue University, Queens University (2), Rutgers University, Stanford University (3+), SUNY Stony Brook, University of Arizona, University of British Columbia (3+), University of California-Berkeley (3+), University of California-Los Angeles (2), University of California-San Diego, University of California-Santa Cruz, University of Chicago, University of Colorado-Boulder, University of Illinois-Urbana, University of Maryland, University of Michigan, University of Pennsylvania (2), University of Rochester (2), University of Southern California, University of Toronto (2), University of Virginia, University of Wisconsin-Madison, Vanderbilt University, Yale University (3+).

In the U.K.: Cambridge University (2), Imperial College (2), London Business School (3+), London School of Economics (3+), Oxford University (2), Queen Mary and Westfield College, University College London, University of Edinburgh, University of Essex, University of Nottingham, University of Southampton (2), Warwick University, York University.

In Europe: University of Athens, Bocconi University, CORE (2), ECARES (ULB), European Commission, European University Institute (Florence), Fundacion Empresa Publica (Madrid), IESE Business School (2), Insead (2), ISEG (Lisbon) (2), Paris School of Economics, Toulouse School of Economics, Tilburg University, Trinity College Dublin, University of Alicante (2), University Autonom de Barcelona, University of Bergen, University of Bern, University Catolica Portuguesa (3+), University Complutense de Madrid, University of Copenhagen (2), University of Lausanne, University of Leuven (KUL), University of Lisbon (CMAF), University of Minho, University of Munich, University of Navarra (2), University Nova de Lisboa (3+), University of Oslo, University Pompeu Fabra (2), University of Porto, University of Vigo, University of Zurich, WZB (Berlin).

Elsewhere: Atami (Japan), Australian National University, Gertulio Vargas (Rio de Janeiro), Hebrew University Jerusalem, Hong-Kong Technical University, PUC (Rio de Janeiro), Tel-Aviv University, University de los Andes (Santiago, Chile), University of Beijing, University of Kobe, University of Melbourne, University of New South Wales, University of Queensland, University de la Republica (Uruguay), University of Sidney.

Distinguished lectures: Keynote Speaker, Portuguese Industrial Organization Society (Lisbon, January 2003). Keynote speaker, Southern European Association for Economic Theory (Barcelona, November 2004). Keynote Speaker, European Association for Research in Industrial Economics (Porto, September 2005). Distinguished Visitor, Drexel University (May and November 2008).

Other invited presentations: Econometrics Society European Winter Meetings (Alicante, 1990). Finnish Doctoral Program Annual Meeting (Helsinki, June 1990). IDEE Workshop (Toulouse, 1991). Network of Industrial Economics (Lancaster University, 1997). UBC Summer IO Conference (Vancouver, July 2001). Competitive Strategy Conference (Montreal, June 2002). Conference on Networks and Standards (Moscow, June 2003). Conference on Strategy (St Louis, May 2007). Conference on Standards and Public Policy (Chicago, May 2004). Workshop on Competition Policy (Berkeley, October 2007). I and II Lisbon Conferences on Competition Law and Economics (Lisbon, November 2005 and 2007). OECD 100th Meeting Conference (Paris, February 2008). Workshop on the Economics of Marketing (Frankfurt, June 2008).

Other presentations at conferences and workshops (accepted submissions): Econometrics Society, AEA, EEA, EARIE, IIOS annual conferences (various years since 1988). CEPR: various workshops (IO programme). NBER: various workshops (IO and entrepreneurship groups).

Recent invited presentations: University of Edinburgh, Imperial College, London Business School, University of Southampton (all May 2009); Toulouse School of Economics, Universitat Pompeu Fabra (September 2009).

## ■ Teaching experience

Undergraduate: microeconomics, industrial organization, competitive analysis.

Graduate: industrial organization, game theory, strategy.

MBA: microeconomics and game theory.

Mini-courses and lectures: The Economics of Reputation and Trust (Zurich, 2002); Strategy Summer Camp (Beijing, 2008); Dynamic Oligopoly Competition (Fordham, 2008; European Commission's DGComp, 2008). Entrepreneurship Summer Camp (NBER, 2009).

## ■ Graduate students

Doctoral theses committees (main advisor): Pedro P. Barros, 1993; Margarida Lopes, 1999; Tobias Kretschmer, 2001; Flavio Toxvaerd, 2002; Cristian Dezso, 2006; Ali Yurukoglu, 2009; Anna Ingster (exp. 2010).

Doctoral theses committees (member): Alessandro Gavazza, 2005, Giovanni Serio (2006), Martin Paredes (2007).

Doctoral theses external examiner: Paul Povel (LSE, 1998); Vasco Rodrigues (Católica Porto, 2002); Helder Vasconcelos (European University Institute, 2002), Jeanine Thal (Toulouse, 2006), João Montez (Lausanne, 2007).

Master's theses committees (main advisor): Pedro Pereira, 1991; Margarida Lopes, 1993; Isabel Ucha da Silva, 1994; Nuno Martins, 1996.

## ■ Editorial duties

Co-Editor, Journal of Economics and Management Strategy, 2004–.

General Editor, Journal of Industrial Economics, 1999–2003.

Associate Editor: B.E. Journal of Economic Analysis and Policy (2005–), Portuguese Economic Journal (2002–), Review of Network Economics (2000–), International Journal of Industrial Organization (1995–1998), Investigaciones Economicas (1994–1998), *Economia* (1989–).

Referee: American Economic Review, Econometrica, Economic Journal, European Economic Review, International Economic Review, International Journal of Industrial Organization, Journal of Economic Dynamics and Control, Journal of Economic Theory, Journal of Economics and Management Strategy, Journal of the European Economic Association, Journal of Industrial Economics, Journal of Political Economy, Journal of Public Economics, Management Science, Marketing Science, Quarterly Journal of Economics, Rand Journal of Economics, Review of Economic Studies, and other journals. Excellence in Refereeing Award, *American Economic Review*, 2008.

### ■ Additional current and past affiliations

Research Fellow, Centre for Economic Policy Research, London (1992–).

External member, Group of Economic Policy Analysis (GEPA, an advisory group to the President of the European Commission), 2006–.

Research Affiliate, Center for Experimental Social Science, New York University.

Research Associate, Center for Japan-U.S. Business and Economic Studies, New York University.

Affiliate, Law and Economics Consulting Group (2001–), Applied Economic Solutions (2001–).

Chief Economic Adviser, Portuguese Competition Authority (2005–2008).

Member of the Advisory Committee: Research Unit on Complexity in Economics (UECE/ISEG, Lisbon, Portugal); CEFAGE, University of Évora (Portugal).

Visiting Scholar, Santa Fe Institute (1989), Boston University (1989, 1993, 1994), Stanford University (1993), Institut d'Anàlisi Econmica (1993).

Member, American Economic Association, Econometric Society, other learned societies.

### ■ Academic associations and conferences

President, European Association for Research in Industrial Economics, 2009–.

Member of the Executive Committee: Southern European Association for Economic Theory (ASSET), 1992–1996. European Association for Research in Industrial Economics (EARIE), 1994–1999, 2009–.

Founder (2003) and organizer (2003–2007), IO Day (a.k.a. New York Commuter Industrial Organization Workshop).

Conference organizer or co-organizer: European Summer Symposium in Economic Theory, Switzerland, various years. ASSET Annual Meeting, Lisbon, November 1994. Portuguese Economics Research Society 1st Meeting, Lisbon, April 1996. European Association for Research in Industrial Economics, September 2009.

Member of the Program Committee: Econometric Society European Meeting (1999, 2006, 2007). European Association for Research in Industrial Economics (1994, 1997, 2001, 2002, 2003, 2007). European Economic Association (1995, 1996, 2002). European Research Workshop in International Trade (1992). International Telecommunications Society World Conference (1996).

## ■ Other professional activities

Consultant: Federal Reserve Bank of New York, Bank of Portugal, Pfizer Pharmaceuticals, OECD, European Commission, Portugal's Minister of Finance, various other companies and government institutions.

Media coverage. Professor Cabral's research has been covered on television (e.g., NBC), radio (e.g., BBC) and the press (e.g., *The Wall Street Journal*). In addition to the U.S., media coverage includes (in alphabetical order) Brazil, Chile, Portugal, and the United Kingdom.

## ■ Honors

Banco Português do Atlântico Prize (best student in undergraduate class), 1983.

A. Melo Foundation Prize (best student in Masters program), 1985.

Fulbright scholarship, 1985-89, 1993.

European Association for Research in Industrial Economics (EARIE) prize (best young scholar paper, co-winner), 1989.

Research Professor, Stern School of Business, 2002–2007.

W. R. Berkley Term Professor of Economics, Stern School of Business, 2007–2010.

President, European Association for Research in Industrial Economics, 2009–2011.

## ■ Personal

Born on June 8, 1961 in Lisbon, Portugal. Portuguese citizen. U.S. permanent resident. Hobbies include painting and saxophone playing. Additional information at [luiscabral.com](http://luiscabral.com)