Letters from Alumni
life after the PhD thesis defense

You can’t fool all of the people all of the time
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Time flies. It is now more than ten years ago that I defended my PhD thesis in Amsterdam. The thesis focused on game theory—bargaining theory, in particular, and had an easy research question: How to divide a cake among two players before it gets stale? As it turned out, the answer to this ‘easy’ question could get really complicated—but that was nothing compared with the difficulty in explaining to your family and friends why you spent five years working that out. Yet, if I had to, I would do it all over again.

But let me step back for just a moment. After graduating in econometrics, I started my PhD track in March 1992 at Vrije Universiteit Amsterdam, where Gerard van der Laan and Harold Houba were my ‘local’ supervisors. At that time, Tinbergen Institute had just moved to the Keizersgracht in Amsterdam, reviving its ambitions to become a strong graduate school and research institute in economics and econometrics. Correct me if I am wrong, but I still like to believe that those days were the heyday of TI at the Keizersgracht! Chaos, anarchy, research and drinks. A pretty good atmosphere in which to produce successful PhDs...

In the beginning of my DNB career, I tried to capitalize on my thesis. Every ‘new’ doctor does. I tried to sell some chapters to journals. I think this worked out quite well. Jointly with Harold Houba, I was invited to write a manuscript on non-cooperative bargaining theory. The book Credible Threats in Negotiations: A Game-theoretic Approach was published in 2002 by Kluwer Academic Press. We’ll certainly never get rich from it! This marked for me a farewell to the complex theory of extensive bargaining.

During the last five years I’ve been involved in the industrial organisation of payment systems. Payment systems worldwide have recently attracted a lot of antitrust scrutiny with regard to pricing and governance. Fundamental research is strongly needed here. Payment economics has taken me far, you could say—even to the Big Apple. For the first seven months of 2007 I visited the research department of the Federal Reserve Bank in New York doing ‘payment stuff’. As New Yorkers like to say, “what’s going on?” I asked myself that same question every day, over and over again.

Back in the Netherlands now... And, I’ve got to admit that Amsterdam is charming, too. I bought a house there a couple of years ago, close to the canals and the Jordaan district. Taking the bike everyday from the Prinsenstraat to Frederiksplein—well, I still love it!