

Eighth
**CONFERENCE ON RESEARCH ON ECONOMIC
THEORY AND ECONOMETRICS**

Cultural Foundation of Tinos, Tinos

July 8-12, 2009

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Costas Azariadis, Harris Dellas, Yannis Ioannides, Emmanuel Petrakis, Apostolis Philippopoulos and Nikos Vettas

PRELIMINARY PROGRAM

Updated June 17, 2009

WEDNESDAY, July 8

1:00 *Welcome*

1:05 - 2:15 **Finance Keynote Lecture** Chair: Yannis Ioannides (Tufts Univ.)

George Constantinides (Univ. of Chicago) "Asset Pricing Tests with Long Run Risks in Consumption Growth"

2:15 - 2:40 *Coffee Break*

2:40 - 3:50 **Monetary Policy Lecture** Chair: Harris Dellas (Univ. of Bern).

Athanasios Orphanides (Central Bank of Cyprus) "Monetary Policy Mistakes and the Evolution of Inflation Expectations" [with John C Williams (FRB San Francisco)]

3:50 - 4:10 *Coffee Break*

4:10 - 6:10

Parallel Session A: Macroeconomics Chair: Theodore Palivos (U. of Macedonia)

Maria Eleni Athanasopoulou (IMF) "Periodic New Keynesian Models and the Term Structure of Interest Rates"

Elias Papaioannou (Dartmouth College) "Financial Integration and Business Cycle Synchronization" [with Sebnem Kalemlı-Ozcan (Univ. of Houston) and José Luis Peydró (European Central Bank)]

Evangelia Vourvachaki (CERGE_EI) "Information and Communication Technologies in a Multi-Sector endogenous Growth Model".

Anastasia Zervou (Washington Univ., St. Louis and Texas A&M) "Monetary Policy and the Great Ination: A Multi-Country Time-Varying Analysis Using the Taylor Rule" [with Jacek Suda (Washington Univ., St. Louis)]

Nicos Christodoulakis (AUEB) "Electoral Misgovernance Cycles: Wildfires and Tax Evasion in Greece" [with Spyros Skouras (AUEB)]

Parallel Session B: Applied Micro Chair: Konstantine Gatsios (AUEB).

Kostas Arkolakis (Yale) "The Extensive Margin of Exporting Goods: A Firm-level Analysis" [with Marc-Andreas Muendler (UC San Diego and Princeton)]

Manolis Galenianos (Penn State) "Hiring Through Referrals"

Chrysanthos Dellarokas (Boston Univ.) "Simultaneous Online Auctions by Sellers of Different Reputations: Theory and Experimental Evidence" [with Ravi Bapna (Minnesota) and Sarah Rice (Connecticut)]

Theodore Papageorgiou (Penn State) "Learning and Selection into Exporting" [with Kostas Arkolakis (Yale)]

Theodoros Diasakos (College Carlo Alberta) "Complexity and Bounded rationality in Individual Decision-making; an Axiomatic Approach"

THURSDAY, July 9

9:15 - 10:30 **Michael Magdalinos Lecture** Chair: Costas Azariadis (Washington Univ., St. Louis.)

Steven Durlauf (Wisconsin) "Design Limits and Dynamic Policy Analysis" [with William Brock (Wisconsin) and Giacomo Rondina (Univ. of California)]

10:30 - 10:50 *Coffee Break*

10:50 - 11:55 **Economic Theory Lecture** Chair: Tasos Xepapadeas (AUEB)

Herakles Polemarchakis (Univ. of Warwick) "The Regulation of Competitive Financial Markets"

11:55 - 1:00 *Lunch*

1:00 – 3:40

Parallel Session A: Microeconomics Chair: Georges Siotis (Carlos III)

Dimitrios Xeferis (Universitat Autònoma de Barcelona) “Endogenous Choice of Electoral Rules in a Multiparty System with two Major Dominant Parties” [with Konstantinos Matakos (Warwick)]

Ourania Karakosta (AUEB) “Welfare Consequences of Indirect Tax Harmonization when Public Goods are Global” [with Christos Kotsogiannis (Univ. of Exeter) and Miguel-Angel Lopez-Garcia (Universidad Autonoma de Barcelona).]

Maria Alipranti (Univ. of Crete) “Advertising Policies: Comparative versus Informative Advertising in Oligopolistic Markets” [with Evangelos Mitrokostas (Univ. of Crete) and Emmanuel Petrakis (Univ. of Crete)]

Frago Kourandi (AUEB) “Endogenous Spatial Differentiation with Vertical Contracting” [with Nikos Vettas (AUEB)]

Apostolis Pavlou (AUEB) “Upstream Horizontal Mergers and Efficiency Gains” [with Valanta Milliou (AUEB)]

Parallel Session B: Macro, finance and institutions Chair: George Kouretas (AUEB)

Georgios Georgiadis (Goethe Univ. Frankfurt) “Growth Effects of Financial Globalization” [with Michael Binder (Center for Financial Studies and Goethe Univ. Frankfurt) and Sunil Sharma (IMF)]

Chris Stefanadis (Univ. of Piraeus) “Production, Appropriation, and Barriers to Entry”

Philippous Louis (Universidad Autonoma de Barcelona) “Learning Aversion and Voting Rules in Collective Decision Making”

Iordanis Petsas (Baruch College) “General Purpose Technologies and their Implications for International Trade”

Alexandros Vardoulakis (Oxford) “Modelling a Housing and Mortgage Crisis” [with Charles Goodhart (LSE) and Dimitrios Tsomocos (Oxford)]

3:40 – 4:40 *Poster Session I:*

Konstantina Kottaridi (Univ. of Peloponese) “Information and Communication Technology Capital and Foreign Direct Investment: Interlinks and Non-linearities in Economic Growth” [with Elena Ketteni (Univ. of Cyprus and Frederick Univ.) and Theofanis Mamuneas (Univ. of Cyprus)]

Pantelis Kammas (Univ. of Ioannina) “Are Democratic Governments More Efficient?”

Nikos Benos (Univ. of Ioannina) "Fiscal Policy and Economic Growth: Empirical Evidence from EU Countries"

Eirini Andriopoulou (Hellenic Competition Commission) "Once Poor, Always Poor? Do Initial Conditions Matter? Evidence from the ECHP" [with Panos Tsakloglou (AUEB)]

Veni Arakelian (Univ. of Cyprus) "Spread of Greek Bond vs German Bund hits 165bps: Sign of a junk-rated Economy or Another Side Effect of the Financial Crisis?"

Anastasia Litina (Univ. of Macedonia) "Corruption and Tax Evasion in a Model of Public Education and Growth" [with Theodore Palivos (Univ. of Macedonia)]

Nikolaos Papanikolaou (AUEB) "Market Structure, Screening Activity and the Lending Behaviour of Banks"

Kyriaki Remoundou (AUEB) "Valuing Government Trust: a Choice Experiment Application to Forest Fires" [with Phoebe Koundouri (AUEB) and Yiannis Kountouris (AUEB)]

Michalis Rousakis (Univ. of Warwick) "Capitalizing Implementation Cycles"

Serafeim Tsoukas (Univ. of Nottingham) "What Effects Have Bond Market Initiatives Had on the Issuance of Corporate Bonds in Asia?" [with Paul Mizen (Univ. of Nottingham)]

FRIDAY, July 10

Morning free – Excursion

2:30 - 3:30 **Finance Theory Lecture** Chair: Emmanuel Petrakis (Univ. of Crete)

John Geanakoplos (Yale Univ.) "The Leverage Cycle"

3:30 - 3:45 *Coffee Break*

3:45 - 4:45 **Economic Theory Lecture** Chair: Nikos Vettas (AUEB)

Juuso Valimaki (Helsinki School of Economics) "Delay and Information Aggregation in Stopping Games with Private Information" [with Pauli Murto (Helsinki School of Economics)]

4:45 - 5:00 *Coffee Break*

5:00 – 6:00

Roundtable on the 2009 Banking/Financial/Economic Crisis.

Coordinator: Christopher Pissarides (LSE)

Costas Azariadis (Washington Univ., St. Louis)

Sudipto Bhattacharya (LSE)

George Constantinides (Univ. of Chicago)

John Geanakoplos (Yale)

Yannis Ioannides (Tufts)

Herakles Polemarchakis (Univ. of Warwick)
Dimitri Vayanos (LSE)

6:00 - 7:00 *Poster Session II:*

Elias Boultzis (AUEB) "Lobbying and Efficiency under Imperfect Taxation"

Evangelos Rouskas (AUEB) "Efficient Delay in Decision Making"

Maria Fotaki (AUEB) "Human Resources Turnover as an Asset Acquisition, Accumulation and Divesture Process" [with Raphael Markellos (AUEB) and Maria Mania (AUEB)]

Dimitra Kyriakopoulou (Univ. of Piraeus) "Asymptotic Expansions of the QMLEs in the EGARCH (1,1) Model" [with Antonis Demos (AUEB)]

Vasilis Sarantides (AUEB) "The Impact of Fiscal Policy on Profits" [with Margarita Katsimi (AUEB)]

Christos Bilanakos (AUEB) "Career Concerns and the Provision of General Training"

Anastasios Dosis (Univ. of Athens) "Optimal Insurance Contracts with Moral Hazard and Unobservable Risk-Aversion"

Kyriakos Drivas (Berkeley) "The Economic Costs of Vetoes: Evidence from NATO"

Ioanna Stylianou (Univ. of Cyprus) "Failure to Launch? Transition Delay, Institutions, and Divergence" [with Andros Kourtellos (Univ. of Cyprus) and Chih Ming Tan (Tufts Univ.)]

Tentative: 9:00 Conference Dinner (if not on Saturday)

SATURDAY July 11

9:15 - 10:45 **Finance theory** Chair: George Tavlas (Bank of Greece)

Dimitris Vayanos (LSE) "Institutional Flows and Asset Prices"

Christopher Hennessy (London Business School) "Liquidity and Feasible Debt Relief"

10:45 - 11:05 *Coffee Break*

11:05 - 12:00

Parallel Session A: Macro and Finance I Chair: Yannis Biliadis (AUEB)

Stelios Fountas (Univ. of Macedonia) "The Effects of Uncertainty about Oil Prices in G-7" [with Don Bredin (University College Dublin) and John Elder (North Dakota State University)]

Sotiris Karkalakos (Keele Univ.) “Capital Tax Competition in the European Union: Theory and Evidence from Two Natural Experiments” [with Miltos Makris (Univ. of Leicester)]

Parallel Session B: Industrial Organization I Chair: Valanta Milliou (AUEB)

George Deltas (Univ. of Illinois) “Oligopolistic Competition Between Intermediaries” [with Alexei Alexandrov (Rochester) and Daniel F. Spulber (Northwestern Univ.)]

John Thanassoulis (Oxford) “Vertical Relations under Credit Constraints” [with Volker Nocke (Oxford)]

12:00 – 1:15

Parallel Session A: Macro and Finance II Chair: Sophia Dimelis (AUEB)

George Skiadopoulos (Univ. of Piraeus) “Asset Allocation with Option-Implied Distributions: A Forward-Looking Approach” [with Alexandros Kostakis (Univ. of Glasgow) and Nikolaos Panigirtzoglou (Queen Mary)]

Athanasios Tagkalakis (Ministry of Economy) “Fiscal Balances and Asset Price Movements”

Manolis Mamatzakis (Univ. of Macedonia) “Performance and Merton-Type Default Risk of Listed Banks in EU: a panel VAR approach” [with Anastasia Koutsomanoli-Filippaki (Ministry of Economy and Finance, Greece)]

Parallel Session B: Industrial Organization II Chair: Paris Cleanthous (Univ. of Cyprus)

Konstantinos Serfes (Drexel Univ.) “Patent Settlements as a Barrier to Entry” [with Anne Duchêne (Drexel Univ.)]

Georgia Kosmopoulou (Univ. of Oklahoma) “Customer Poaching, Coupon Trading and Consumer Arbitrage” [with Qihong Liu (Univ. of Oklahoma) and Jie Shuai (Univ. of Oklahoma)]

Christos Genakos (Univ. of Cambridge) “Risk Taking and Performance in Multistage Tournaments: Evidence from Weightlifting Competitions” [with Mario Pagliero (Universita di Torino and Collegio Carlo Alberto)]

1:15 – 2:10 Lunch *Break*

2:10 – 3:20

Parallel Session A: Micro applications Chair: Charalambos Christou (Univ. of Macedonia)

Zacharias Maniadis (Bocconi Univ.) “Selective Revelation of Public Information and Self-Confirming Equilibrium”

Aristotelis Boukouras (Warwick) “Endogenous Enforceability of Private Agreements and the Role of Institutional Agents”

John Chatzigiatrioudakis (AUEB) “Federation Formation with Endogenous Tax Determination”

Parallel Session B: Labor, productivity, and development Chair: Sarantis Kalyvitis (AUEB)

Eugenia Vella (AUEB) “Disentangling the Effects of Public Capital and O&M Outlays on U.S. State Productivity” [with Sarantis Kalyvitis (AUEB)]

Michael Vlassopoulos (Univ. of Southampton) “Disentangling the Sources of Pro-social Behavior in the Workplace: A Field Experiment [with Mirco Tonin (Univ. of Southampton)]

Chrysostomos Tabakis (Universidade Nova de Lisboa) “Multilateral Tariff Cooperation under Fairness and Reciprocity” [with Costas Hadjiyiannis (Univ. of Cyprus) and Doruk Iris (Universidade Nova de Lisboa)]

3:20 – 4:30

Parallel Session A: Microeconomic policy analysis Chair: George Economides (AUEB)

Evangelos Mitrokostas (Univ. of Cyprus) “Certification of CSR Activities in Oligopolistic Markets” [with Emmanuel Petrakis (Univ. of Crete)]

Efi Kyriakopoulou (AUEB) “Environmental Policy, Spatial Spillovers and the Emergence of Economic Agglomerations” [with Anastasios Xepapadeas (AUEB)]

Ilias Livanos (Univ. of Warwick) “The Gender Wage Gap as a Function of Educational Degree Choices in an Occupationally Segregated EU Country” [with Konstantinos Pouliakas (University of Aberdeen Business School)]

Parallel Session B: Macro and finance Chair: Vangelis Vassilatos (AUEB)

Nikos Tsakiris (Univ. of Cyprus) “Trade and Tax Reforms in a Cash-in-Advance Economy” [with Theodore Palivos (Univ. of Macedonia)]

Eleni Gousgounis (Baruch College) “Short- Sale Constraints and Dispersion of Opinion: Evidence from the Indian Equity Market”

Christos Axioglou (AUEB) “Long-range Dependence and Transaction Initiation” [with Spyros Skouras (AUEB)]

Tentative: 9:00 Conference Dinner (if not on Friday)

SUNDAY July 12

9:15 – 10:15 **War** Chair: Apostolis Philippopoulos (AUEB)

Enrico Spolaore (Tufts Univ.) “War and Relatedness” [with Romain Wacziarg (UCLA)]

10:15 – 10:30 *Coffee Break*

10:30 – 12:30

Parallel Session A: Empirical Micro Chair: Christos Cabolis (ALBA)

Thanasis Stengos (Univ. of Guelph) “The Global Joint Distribution of Income and Health” [with Ximing Wu (Texas A&M University) and Andreas Savvides (Cyprus Univ. of Technology and Oklahoma State Univ.)]

Sofronis Clerides (Univ. of Cyprus) “Substitution Across and Within Product Lines: A Joint Analysis of Quantity Discounts and Promotions” [with Pascal Court (European University Institute)]

Christos Giannikos (Barouch College) “Asset Pricing Implications in a Production Economy with Regimes” [with Stefano d’Addona (Univ. of Rome)]

Parallel Session B: Economic and Finance Theory Chair: Christos Kotsogiannis (Exeter)

Emmanuel Drandakis (AUEB) “The Dual Method via the Envelope Theorem for Sensitivity Analysis and Le Chatelier Principle in Parametric Optimization Problems”

Kostas Koufopoulos (Warwick Business Sch.) “Efficient (First-Best) Nash Equilibria in Economies with Asymmetric Information” [with Aristotelis Boukouras (Warwick Business Sch.)]

Miltos Makris (Univ. of Leicester) “Neutral Optima in Informed Principal Problems with Common Values” [with Dieter Balkenborg (Exeter)]

Ioannis Polyrakis (NTUA) “Maximal Replicated Submarkets” [with Foivos Xanthos (NTUA)]

12:30 – 1:15 *Lunch Break*

1:15 – 2:45

Parallel Session A: Applied Micro Theory Chair: George Bitros (AUEB)

Yannis Katsoulacos (AUEB) “Modelling the Effects of Legal Uncertainty” [with David Ulph (Univ. of St. Andrews)]

Eleftherios Zacharias (AUEB) “Location Decisions of Competing Platforms: The Principle of Maximum Differentiation May Not Hold” [with Konstantinos Serfes (Drexel Univ.)]

Konstantinos Tatsiramos (IZA) “Explaining how Delayed Motherhood Affects Fertility Dynamics in Europe” [with Massimiliano Bratti (Univ. of Milan and IZA)]

Parallel Session B: Econometrics, theory and applications Chair: Elias Tzavalis (AUEB)

Sophocles Mavroeidis (Brown) “Identifying Euler Equation models via stability restrictions”

Yiannis Vrontos (AUEB) “Bayesian Analysis of Autoregressive Models with Multiple Structural Breaks” [with Loukia Meligkotsidou and Elias Tzavalis (AUEB)]

Michalis Stamatogiannis (Univ. of Nottingham) “Testing for a Unit Root in the Presence of Autocorrelated Errors”

2:45 – 3:45

Parallel Session A: Micro applications Chair: Natasha Miaouli (AUEB)

Nikos Nikiforakis (Univ. of Melbourne) “The Impact of Social Comparisons on Ultimatum Bargaining” [with Ian McDonald (Univ. of Melbourne), Nilss Olekalns (Univ. of Melbourne) and Hugh Sibly (Univ. of Tasmania)]

Alex Kostakis (Univ. of Glasgow) “Dynamic Bond Portfolio Choice with Macroeconomic Information” [with Peter Spencer (Univ. of York)]

Parallel Session B: Econometric theory Chair: Gregory Kordas (AUEB)

Spyros Skouras (AUEB) “The Sign of a Mean Regression: Characterisation, Estimation and Applications”

Tassos Magdalinos (Univ. of Nottingham) “Econometric Inference in the Vicinity of Unity” [with Peter Phillips (Univ. of Auckland and Univ. of York)]