

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

Milos Conference Center George Eliopoulos, Milos

July 10-14, 2011

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

PROGRAM
updated 10/07

SUNDAY, July 10

1:00 – 1:25 *Registration*

1:25 – 1:30 *Welcome*

1:30 -3:00 **Finance Lectures** Chair: Thanasis Stengos (Guelph)

Dimitris Vayanos (LSE) “Financially Constrained Arbitrage and Cross-Market Contagion” [with Denis Gromb (INSEAD)]

Michael Haliassos (Goethe Univ. Frankfurt) “Household Debt and Social Interactions [with Dimitris Georgarakos (Goethe Univ. and CFS) and Giacomo Pasini (Univ. of Venice “Ca’ Foscari”)]

3:00 - 3:15 *Coffee Break*

3:15 – 4:45

Parallel Session A: Macroeconomics I Chair: George Economides (AUEB-DIEES)

Isabel Correia (Banco de Portugal, Univ. Catolica Portuguesa) “Taxation and Globalization”

Fabrice Collard (Univ. of Bern) “The Fiscal Multiplier along the Business Cycle” [(with Matthew Canzoneri (Georgetown Univ.), Harris Dellas (Univ. of Bern), Behzad Diba (Georgetown Univ.))]

Pedro Teles (Banco de Portugal, Univ. Catolica Portuguesa and CEPR) “Money is an Experience Good: Competition and Trust in the Private Provision of Money” [(with Ramon Marimon (EUI) and Juan Pablo Nicolini (Universidad Di Tella and FRB Minneapolis))]

Parallel Session B: Industrial Organization Chair: Christos Cabolis (ALBA)

Georgia Kosmopoulou (Univ. of Oklahoma) “Price Adjustment Policies in Procurement Contracting: An Analysis of Bidding Behavior” [(with Xueqi Zhou (Univ. of Oklahoma))]

Christos Genakos (AUEB – Econ) “Leveraging Monopoly Power by Degrading Interoperability: Theory and Evidence from Computer Markets” [(with Kai-Uwe Kuhn (Michigan) and John Van Reeven (LSE))]

Paris Cleanthous (Univ. of Cyprus) “Pharmaceutical Innovative Performance and its Determinants” [(with Alexis Antoniadis (Georgetown Univ.))]

4:45 – 6:15

Parallel Session A: Econometrics Chair: Tassos Magdalinos (Univ. of Southampton)

Vasilis Sarafidis (University of Sydney) “IV Estimation of Panels with Factor Residuals” [(with Donald Robertson (Cambridge) and James Symons (UCLA))]

George Skiadopoulos (Univ. of Piraeus) “Predictable Dynamics in Higher Order risk-neutral Moments: Evidence from the S&P 500 options” [(with Michael Neumann (Munich Univ. of Technology))]

Yiannis Vrontos (AUEB – Statistics) “Detecting Structural Breaks in Multivariate Financial Time Series: Evidence from Hedge Fund Investment Strategies” [(with Loukia Meligkotsidou (Univ. of Athens - Mathematics))]

Parallel Session B: Labor I Chair: Kristis Hassapis (Univ. of Cyprus)

Konstantinos Tatsiramos (Univ. of Leicester and IZA) “Quit Behavior and Job Protection” [(with Anne Gielen (IZA and Maastricht Univ.))]

Phil Oreopoulos (Univ. of Toronto) “The Short- and Long-Term Career Effects of Graduating in a Recession: Hysteresis and Heterogeneity in the Market for College Graduates” [(with Till von Wachter (Columbia Univ. and IZA), Andrew Heisz (Statistics Canada))]

Alice Mesnard (Institute of Fiscal Studies) “Migration and the Equilibrium Prevalence of Infectious Diseases” [(with Paul Seabright (Toulouse))]

MONDAY, July 11

9:10 - 10:40 **Environment, Trade, and Growth** Chair: Alexander Sarris (Univ. of Athens)

Anastasios Xepapadeas (AUEB-DIEES) "Energy Balance Climate models and the Economics of Climate Change" [with William A. Brock (Wisconsin) and Gustav Engstrom (Stockholm Univ.)]

Andres Rodriquez (Penn State) "Proximity vs. Comparative Advantage: A Quantitative Theory of Trade and Multinational Production" [with Costas Arkolakis (Yale), Natala Ramondo (Arizona State) and Stephen Yeaple (Penn State)]

Costas Arkolakis (Yale) "A Unified Theory of Firm Selection and Growth"

10:40 - 11:00 *Coffee Break*

11:00 - 12:00 **Economic Theory Lecture** Chair: Nikos Vettas (AUEB - Econ)

John Geanakoplos (Yale) "What to Do about Social Security"

12:00 - 13:30

Parallel Session A: Finance I Chair: Nikolas Topaloglou (AUEB-DIEES)

Anna Pavlova (LBS) "Asset Prices and Institutional Investors" [with Suleyman Basak (LBS)]

Konstantinos Serfes (Drexel Univ.) "Entry and the Efficiency of Venture Capital Markets with Endogenous Matching" [with Jose Plehn-Dujowich (Fox School of Business) and Veikko Thiele (Queen's University)]

Parallel Session B: Inequality and growth Chair: Sarantis Kalyvitis (AUEB - DIEES)

Bledi Taska (NYU) "Institutional Structure of Higher Education, Credit Markets and Persistent Inequality"

Chrysa Leventi (AUEB-DIEES) "Distributional Implications of the Crisis in Greece" [with Manos Matsaganis (AUEB)]

Spyridoula Dimou (Univ. of Ioannina) "Investigating the Impact of Health Care Spending on Economic Growth (28 OECD countries for 1990-2008)" [with Michael Chletsos (Univ. Of Ioannina)]

13:30 - 2:20 *Lunch*

2:20 – 3:50

Parallel Session A: Labor II Chair: Vassilis Hajivassiliou (LSE)

Manolis Galenianos (Pennsylvania State Univ.) “Markets vs. Networks in Firms' Hiring Decisions”

Chryssi Giannitsarou (Univ. of Cambridge) “Network Structures and Human Capital Dynamics” [with Tiago Cavalcanti (Univ. of Cambridge)]

Panagiotis Arsenis (Leicester) “Corruption, Fertility and Human Capital” [(with Dimitris Varvarigos (Leicester))]

Parallel Session B: Econometrics and applications Chair: Stelios Arvanitis (AUEB - Econ)

George Athanasopoulos (Monash University) “Model Selection, Estimation and Forecasting in VAR models with Short-run and Long-run Restrictions” [with Osmani T. de C. Guillen (Banco Central do Brasil), Joao V. Issler (Graduate School of Economics - EPGE) and Farshid Vahid (The Australian National Univ.)]

Loukia Meligkotsidou (Univ. of Athens – Mathematics) “A Bayesian Unit Root Test for Panel Data Models with Cross-sectional Dependence” [with Elias Tzavalis (AUEB - Econ) and Ioannis Vrontos (AUEB - Statistics)]

Costas Lambrinoudakis (Univ. of Piraeus) “An Explicit Test for Capital Structure Convergence” [(with Angelos Antzoulatos (Univ. of Piraeus), Kostas Koufopoulos (Warwick) and Emmanouel Tsiritakis (Univ. of Piraeus))]

3:50 - 4:00 *Coffee Break*

4:00 – 6:00

Parallel Session A: Macroeconomics II Chair: Spyros Pagratis (AUEB - Econ)

Michalis Rousakis (Univ. of Warwick) “Producers' Expectations and the Business Cycle”

Dimitrios Christelis (University of Naples Federico II) “Wealth Shocks, Unemployment Shocks and Consumption in the Wake of the Great Recession” [with Dimitris Georganakos (Goethe Univ. Frankfurt) and Tullio Jappelli (Univ. of Naples Federico II)]

Lorenzo Burlon (Universitat Autònoma de Barcelona) “Do Aggregate Fluctuations Depend on the Network Structure of Firms and Sectors?”

Nikos Benos (Univ. of Ioannina) “Environmental Quality and Income Dynamics: What Does the Global Evidence Tell us?” [with Thomas Bassetti (Univ. of Padova) and Stelios Karagiannis (KEPE)]

Parallel Session B: Microeconomics I Chair: Yannis Katsoulacos (AUEB - Econ)

Emmanuel Drandakis (AUEB - Econ) "Profit Maximization under Point and Quantity Rationing: Why Do Sensitivity Analysis And Le Chatelier Principle Still Face Problems in the Presence of Constraints"

Pantelis Koutroumpis (AUEB and European Investment Bank) "Mobile Telecommunications and the Impact on Economic Development" [with Harald Gruber (European Investment Bank)]

Flavio Toxvaerd (Univ. of Cambridge) "Dynamic Limit Pricing"

Chris Stefanadis (Univ. of Piraeus) "Institutions and Convergence [with Angelos Antzoulatos (Univ. of Piraeus) and Chris Tsoumas (Univ. of Piraeus)]

TUESDAY, July 12

9:00 - 10:30 **Industrial Organization** Chair: Nikos Vettas (AUEB - Econ)

Simon Anderson (Virginia) "Aggregative Games with Free Entry" [with Nisvan Erkal (Univ. of Melbourne) and Daniel Piccinin (Brick Court Chambers)]

Patrick Rey (Toulouse) "Does Retailer Power Lead to Exclusion?" [with Michael Whinston (Northwestern)]

10:30 - 11:30 **Michael Magdalinos Lecture** Chair: Harris Dellas (Univ. of Bern)

Sergio Rebelo (Northwestern) "Understanding Booms and Busts in Housing Markets" [with Craig Burnside (Duke), Martin Eichenbaum (Northwestern)]

11:30 - 12:00 *Coffee*

12:00- 1:30 **Roundtable on the Greek Debt**
Costas Azariadis (Washington Univ. St. Louis), Chair
Michael Haliassos (Goethe Univ. Frankfurt)
Yannis Ioannides (Tufts Univ.)
Dimitris Vayanos (LSE)

1:30 - 2:30 *Lunch*

2:30 - 4:30

Parallel Session A: Finance II Chair: Gikas Hardouvelis (Univ of Piraeus)

Dimitris Georgarakos (Goethe Univ. Frankfurt) "Financial Advice and Stock Market Participation" [with Roman Inderst (Frankfurt)]"

Alexandros Vardoulakis (Bank of France) "Minsky's Financial Instability Hypothesis and the Leverage Cycle" [with Sudipto Bhattacharya (LSE), Charles Goodhart (LSE) and Dimitrios Tsomocos (Oxford)]

Panagiotis Schizas (Baruch College, City Univ. of New York and Univ. of Peloponnese) "Pairs Trading on International ETFs" [with Dimitrios Thomakos (Univ. of Peloponnese) and Tao Wang (City Univ. of New York)]

Afroditi Kero (Pompeu Fabra) "Great Moderation or Great Mistake: Can Overconfidence in low Macro-Risk Explain the Boom in Asset Prices?" [with Tobias Broer (IIES, Stockholm Univ.)]

Parallel Session B: Labor III Chair: Sophia Dimelis (AUEB - Informatics)

Evangelia Chalioti (AUEB - DIEES) "Team Members' Ability Matters for Career Concerns"

Elpiana Emmanouilidou (AUEB - Econ) "Employment Transitions of Older Persons in Britain: State dependence and long-run Determinants"

Marios Karabarounis (Rochester) "Heterogeneity in Labor supply Elasticity and Policy Reform in a Life Cycle Economy"

Christina Taeldi (Northwestern) "How Do Employment Contract Reforms Affect Welfare? Theory and Evidence"

8:15 *Conference Dinner*

WEDNESDAY, July 13

9:00 – 9:55 **Economic Theory Lecture** Chair: Emmanuel Petrakis (Crete)

Costas Azariadis (Washington Univ., St. Louis) "Credit Crunches as Markov Equilibria"

9:55 – 10:50 **Trade and Productivity** Chair: Yannis Ioannides (Tufts Univ.)

Esteban Rossi-Hansberg (Princeton) "The Impact of Trade on Organization and Productivity" [with Lorenzo Caliendo (Yale)]

10:50 – 11:00 *Coffee Break*

11:00 – 1:30 *Milos Island visit*

1:30 – 2:30 *Lunch*

2:30 – 4:30

Parallel Session A: International Chair: Konstantine Gatsios (AUEB - Econ)

Stelios Fountas (Univ. of Macedonia) “What is the Impact of Currency Unions on FDI flows? Evidence from Eurozone Countries” [with Kyriacos Aristotelous (Otterbein College)]

Evangelia Vourvachaki (CERGE-EI) “Productivity Gains from Services Liberalization in Europe” [with Jan Bena (Sauder School of Business, UBC) and Peter Ondko (CERGE-EI)]

Christos Kotsogiannis (Univ. of Exeter) “Coordinating Climate and Trade Policies: Pareto Efficiency and the Role of Border Tax Adjustments” [with Michael Keen (IMF)]

Constantinos Syropoulos (Drexel Univ.) “On the Implications of Bilateral Free Trade Agreements for Global Free Trade: A Political-Economic Analysis” [with Liming Huang (Drexel Univ.) and Yoto V. Yotov (Drexel Univ.)]

Parallel Session B: Microeconomics II Chair: Valanta Milliou (AUEB-DIEES)

Nikos Ziros (Univ. of Cyprus) “Non Walrasian Decentralization of the Core” [with Leonidas Koutsougeras (Univ. of Manchester and CORE, Universite Catholique de Louvain)]

Alexis Anagnostopoulos (SUNY at Stony Brook) "Skill Biased Technological Change and Homeownership" [with Orhan Erem Atesagaoglu (SUNY Stony Brook) and Eva Carceles-Poveda (SUNY Stony Brook)]

Nikos Georgantzis (Universidad de Granada) “The Lottery-panel Task for Bi-dimensional Parameter-free Elicitation of Risk Attitudes” [with Aurora García-Gallego (Universitat Jaume I) Ainhoa Jaramillo-Gutiérrez (Universidad de Valencia) and Melanie Parravano (Universitat Jaume I)]

Eleni Metsiou (AUEB - Econ) “Competition Authority Substantive Standards and Social Welfare” [with Yannis Katsoulacos (AUEB-Econ) and David Ulph (Univ of St. Andrews)]

THURSDAY, July 14

8:30 – 9:30

Parallel Session A: Macro and finance Chair: Nikos Mylonides (Univ. of Ioannina)

Georgios Gatopoulos (IMF) “Explaining Firms’ Exchange Rate Exposure: the Role of Country Factors” [with Dusan Isakov (Univ. of Fribourg)]

Manolis Mamantzakis (Univ. of Pireaus) "To Default or Not to Default: Revealing Markets' Animal Spirits of Euro Area Sovereign Debt Crisis"

Parallel Session B: Microeconomics III Chair: Iordanis Petsas (Scranton)

Kostas Koufopoulos (Warwick Business Sch.) "Endogenous Commitment and Nash Equilibria in Competitive Markets with Adverse Selection"

Efi Kyriakopoulou (AUEB - DIEES) "On the Structure of Cities: Emergence of Residential and Industrial Areas under Environmental Policy" [with Anastasios Xepapadeas (AUEB - DIEES)]

9:30 - 11:00

Parallel Session A: Macro and applications Chair: Evangelos Dioikitopoulos (Brunel)

Maria Grydaki (Utrecht Univ.) "What Explains Output Volatility? Evidence from the G3" [with Stilianos Fountas (Utrecht Univ.)]

Konstantinos Matakos (Warwick) "The Politics of Unemployment and Electoral Fractionalization: Empirical Evidence from OECD Countries on the "Hostage Voter"" [with Dimitrios Xefteris (Univ. of Cyprus)]

Andriana Bellou (Univ. of Montreal) "Real Wage Growth over the Business Cycle: Contractual versus Spot Markets" [with Baris Kaymak (Univ. of Montreal)]

Parallel Session B: Microeconomics IV Chair: Frago Kourandi (Telecom ParisTech)

Claire Economidou (Univ. of Piraeus) "Why Exporting Matters" [with Jaap Bos (Univ. of Maastricht) and Mark Sanders (Utrecht Univ.)]

Froso Adamopoulou (Carlos III - Madrid) "Peer Effects in Young Adults' Marital Decisions"

Panagiotis Fotis (Hellenic Competition Commission and University of Central Greece) "Do gasoline prices respond asymmetrically in the euro zone area? Evidence from cointegrated panel analysis" [with Michael Polemis (Hellenic Competition Commission and University of Piraeus)]

11:00 - 11:15 *Coffee Break*

11:15 - 12:45

Parallel Session A: Labor IV Chair: Yannis Biliadis (AUEB - DIEES)

Maria Heracleous (Univ. of Cyprus) "Conditional Cash Transfers and Schooling Decisions: Evidence from Urban Mexico" [with Mario González-Flores (American Univ.) and Paul Winters (American Univ.)]

Theodore Papageorgiou (Penn State) "Worker Sorting and Agglomeration Economies"

Panagiotis Nanos (Univ. of Southampton) "Minimum Wage Spillover Effects and Social Welfare in a Model of Stochastic Job Matching"

Parallel Session B: Microeconomics V Chair: Giannis Karagiannis (Univ of Macedonia)

Konstantinos Papadopoulos (Aristotle Univ. of Thessaloniki) "The Countervailing Power Hypothesis in Size-Polarized Markets" [with Charalambos Christou (Univ. of Macedonia)]

Ioannis Petrohilos-Andrianos (AUEB-DIEES) "On the Evolution of Compliance and Regulation with Tax Evading Agents: An Evolutionary Game-Theoretical Approach" [with Anastasios Xepapadeas (AUEB-DIEES)]

Yannis Vailakis (Univ. of Exeter) "Refining not-too-tight debt constraints" [with Filipe Martins-da-Rocha (Getulio Vargas Foundation, Brazil)]

12:45 – 1:00 Coffee break

1:00 – 3:00

Parallel Session A: Macroeconomics III Chair: Vangelis Vassilatos (AUEB - Econ)

Sotiris Karkalakos (Univ. of Piraeus) "Under the hood: Measuring Economic Growth"

George Kouretas (AUEB – Bus. Admin.) "Anxious Periods and Bank Lending" [Manthos Delis (Univ. of Ioannina) and Christos Tsoumas (Univ. of Piraeus)]

Anastasios Karantounias (Federal Reserve Bank of Atlanta) "Risk Aversion, Intertemporal Substitution and Optimal Fiscal Policy over the Business Cycle"

Filippos Exadaktylos (Universidad de Granada) "Social Capital, Cooperation and Community Governance" [with Pablo Brañas Garza (Univ. of Granada) and Roberto Weber (Carnegie Mellon Univ.)]

Parallel Session B: Political Economy Chair: Vally Koubi (Univ. of Bern)

George Bitros (AUEB - Econ) "Character, knowledge, and skills in ancient Greek paideia: Some lessons for today's policy makers" [with Anastassios Karayiannis (Univ. of Pireaus)]

Ioanna Grypari (Minnesota) "Issue Emphasis in US Presidential Elections"

George Deltas (Univ. of Illinois) "Learning and Coordination in the Presidential Primary System" [with Mattias Polborn (Illinois) and Helios Herera (Columbia)]

Kyriakos Neanidis (Univ. of Manchester) “Colonialism, Elite Formation and Corruption” [with Luis Angeles (Univ. of Glasgow)]

2:30 – 3:30 *Lunch*

3:30 Conclusion of the conference

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