

**12<sup>th</sup> CONFERENCE ON RESEARCH ON ECONOMIC  
THEORY AND ECONOMETRICS**

*Ursuline School of Naxos, Naxos*

**July 14-18, 2013**

The organizers wish to express their gratitude to the **Bank of Greece**, the **National Bank of Greece** and the **Hellenic Bank Association** for their financial support to this conference, as well as to the **Municipality of Naxos** for hospitality and to the **Economics Department** of the **Athens University of Economics and Business** for financial and administrative support.

Costas Azariadis, Harris Dellas, Yannis Ioannides, Emmanuel Petrakis,  
Dimitri Vayanos and Nikos Vettas

**PRELIMINARY PROGRAM**

Revised 03/07

**SUNDAY, July 14**

1:00 – 1:25     *Registration*

1:25 – 1:30     *Welcome*

1:30 – 3:10     **Trade, Finance, and Macro**     Chair: Harris Dellas (Univ. of Bern)

Elias Dinopoulos (Univ. of Florida) “Entrepreneurs, Jobs, and Trade” [with Bulent Unel (Louisiana State Univ.)]

Fabrice Collard (Univ. of Bern) “Quantifying Animal Spirits” [with Marios Angeletos (MIT) and Harris Dellas (Univ. of Bern)]

Margarita Tsoutsoura (Chicago - Booth Business School) “Shareholder Democracy in Play: Career Consequences of Proxy Contests” [with Vyacheslav Fos (Univ. of Illinois)]

3:10 - 3:30     *Coffee break*

3:30 - 6:10

**Parallel Session A: Econometrics I**     Chair: Thanasis Stengos (Univ. of Guelph)

Aris Spanos (Virginia Tech) “Confronting Theory with Data: Model Validation and DSGE Modelling” [with Niraj Poudyal (Virginia Tech)]

Petros Dellaportas (AUEB-Statistics) "Multivariate Time Series Analysis by Mixture Modeling" [with Leonardo Bottolo (Imperial College)]

Tassos Magdalinos (Univ. of Southampton) "Wald Tests under Matrix Normalisation" [with Peter C.B. Phillips (Yale)]

Ioannis Kasparis (Univ. of Cyprus) "Nonparametric Predictive Regression" [with Elena Andreou (Univ. of Cyprus) and Peter C.B. Phillips (Yale)]

Ioannis Karavias (Univ. of Nottingham) "On the Local Power of Fixed T Panel Unit Root Tests with Serially Correlated Errors" [with Elias Tzavalis (AUEB-Econ)]

**Parallel Session B: Industrial Organization Theory I** Chair: Tommaso Valletti (Imperial College)

Konstantinos Serfes (Drexel Univ.) "A Price Theory of Vertical and Lateral Integration under Productivity Heterogeneity"

John Thanassoulis (Oxford) "Short-Term Shareholders, Bubbles, and CEO Myopia"

Yannis Katsoulacos (AUEB-Econ) "Legal Errors, Legal Uncertainty and Welfare" [with David Ulph (St. Andrews)]

Frago Kourandi (Univ. of Ioannina and Univ. of Athens) "Net Neutrality, Exclusivity Contracts and Internet Fragmentation" [with Jan Jan Krämer (Karlsruhe Institute of Technology), Tommaso Valletti (Imperial College)]

Georges Siotis (European Commission, Carlos III - Madrid, and CEPR) "Competition in the Pharmaceutical Industry in the Presence of Generics" [with Maria-Angeles de Frutos, Carmine Ornaghi (Southampton) and Micael Castanheira (ECARES)]

**MONDAY, July 15**

9:15 - 11:15 **Micro-econometrics session** Chair: Ekaterini Kyriazidou (AUEB-Econ)

Elie Tamer (Northwestern) "Default Bayesian Inference in a Class of Partially Identified Models"

Vassilis Hajivassiliou (LSE) "Revisiting Econometric Coherency in LDV Models, with an Application to Interactions between Financing Constraints and Firm Innovation"

Aureo De Paula (UCL) "Interdependent Durations in Joint Retirement" [with Bo Honore (Princeton)]

11:15 - 11:45 *Coffee break*

11:45 - 12:45 **Macroeconomics Lecture** Chair: Christopher Pissarides (Univ. of Cyprus and LSE)

Sergio Rebelo (Northwestern) “Non-Linear Effects of Taxation on Growth [with Nir Jaimovich (Duke)]”

12:45 - 2:15

**Parallel Session A: Growth** Chair: Eva Vourvachaki (Bank of Greece)

Marina-Selini Katsaiti (United Arab Emirates Univ.) “A Growth Model of Weight Preferences, Food Consumption and Public Policy [with Evangelos Dioikitopoulos (Brunel) and Philip Shaw (Fordham Univ.)]

Evangelos Dioikitopoulos (Brunel) “The Elimination of Common Rights and Comparative Economic Development in a Malthusian World” [with Ken Tabata (Brown and Kwansai Gakuin Univ.)]

Dimitris Margaritis (Univ. of Auckland) “Time Substitution and the EU Stability and Growth Pact” [with Rolf Färe (Oregon State Univ.), Shawna Grosskopf (Oregon State Univ.) and W.L. Weber (Southeast Missouri State Univ.)]

**Parallel Session B: Empirical Industrial Organization I** Chair: Sofronis Clerides (Univ. of Cyprus)

Myrto Kalouptsi (Princeton) “Understanding Industrial Policies: the case of world shipbuilding”

Georgia Kosmopoulou (Univ. of Oklahoma) “Strategic Bidding and Contract Renegotiation [with Hojin Jung (Univ. of Oklahoma), Carlos Lamarche (Univ. of Kentucky) and Richard Sicotte (Univ. of Vermont)]

Tommaso Valletti (Imperial College) “Unbundling the Incumbent: Evidence from UK Broadband” [with Frank Verboven (Univ. of Leuven) and Mattia Nardotto (Univ. of Cologne)]

2:15 - 3:15 *Lunch*

3:15 - 5:15

**Parallel Session A: Finance I** Chair: George Kouretas (AUEB-BA)

Rigas Oikonomou (HEC Montreal) “Multiple Maturities, Incomplete Markets and Government Debt Management” [with Faraglia (Cambridge), A. Marcet (Autonoma) and A. Scott (LBS)]

Harilaos Giannakidis (AUEB-DIEES) “Decision-Based Portfolio Allocation: A Quasi-Bayesian Approach” [with Yannis Biliadis (AUEB-DIEES) and Spyros Skouras (AUEB-DIEES)]

Costas Lambrinoudakis (Univ. of Piraeus) “Debt Maturity and Financial Integration” [with Angelos Antzoulatos (Univ. of Piraeus) and Kostas Koufopoulos (Warwick Business School)]

Pedro Teles (Banco de Portugal, Universidade Catolica Portuguesa and CEPR)  
Credit Spreads and the Zero Bound on Interest Rates [with Isabel Correia (Banco de Portugal, Catolica-Lisbon and CEPR), Fiorella DeFiore (ECB) and Oreste Tristani (ECB)].

**Parallel Session B: Environmental** Chair: Vally Koubi (Univ. of Bern)

Effrosyni Diamantoudi (Concordia Univ.) "Subsidies, Emissions, and Social Welfare in General Equilibrium with Imperfect Competition" [with Eleftherios Filippiadis (Concordia Univ.) and David L. Kelly (Univ. of Miami)]

Eftichios Sartzetakis (Univ. of Macedonia) "Corruption and Environmental Policy: An alternative perspective" [with Athanasios Lapatinas (Univ. of Ioannina) and Anastasia Litina (Univ. of Ioannina)]

Ilias Tsiakas (Univ. of Guelph) "Carbon Emissions and Stock Returns" [with Marcel Oestreich (Univ. of Guelph)]

Efthymia Kyriakopoulou (Univ. of Gothenburg) "Environmental Policy and the Size Distribution of Firms" [with Jessica Coria (Univ. of Gothenburg)]

**TUESDAY, July 16**

9:00-10:30

**Parallel Session A: Microeconomic theory and applications** Chair: Emmanuel Drandakis (AUEB-Econ)

Kostas Koufopoulos (Warwick Business Sch.) "Bank Capital Structure Relevance: is Bank Equity more Expensive than Deposits?" [with Swarnava Biswas (Warwick Business Sch.)]

Yannis Vailakis (Univ. of Glasgow) "On Reputation Debt"

Rodrigo Velez (Texas A&M) "Sincere and Sophisticated Players in the Envy-free Allocation Problem"

**Parallel Session B: Labor and spatial economics** Chair: Natasha Miaouli (AUEB-Econ)

Rachel Ngai (LSE) "Gender Gaps and the Rise of the Service Economy"

Konstantinos Tatsiramos (Univ. of Leicester and IZA) "Work Norms and Unemployment Duration: Evidence Across European Regions" [with Dimitris Georgarakos (Goethe Univ.)]

Yannis Ioannides (Tufts Univ.) "A DMP Model of Intercity Trade"

10:30 – 10:45 *Coffee Break*

10:45 – 11:40 **Michael Magdalinos Lecture** Chair: Aris Spanos (Virginia Tech)

Jean-Marc Robin (Sciences Po and UCL) “Labor Market Dynamics with Heterogeneous Agents”

11:40 – 12:35 **Emmanuel Drandakis Lecture** Chair: Gikas Hardouvelis (Univ. of Piraeus)

John Geanakoplos (Yale) “Financial Innovation, Collateral and Investment”

12:35 – 1:35 *Lunch*

1:35 –14:30 **Empirical and theoretical economics: poster session**

Senada Nukic (Univ. of Bern) "The Employment Cost of Fiscal Consolidation"

Yuxin Li (Warwick) “Trends and determinants of work-retirement transitions in Germany, England and Japan” [with Dirk Hofäcker (MZES), Heike Schröder (Vienna Univ. of Economics and Business) and Matthew Flynn (Middlesex Univ. Business School)]

Dimitris Mavridis (Paris School of Economics) “Capital and Labor: Top Incomes in Hungary, 1915-2010” [with Palma Mosberger (Oxford Martin Sch. )]

Elpiniki Bakaouka (AUEB-DIEES) “Vertical Technology Transfer in the Presence of Free-riding” [with Chrysovalantou Milliou (AUEB-DIEES)]

Stelios Sakkas (AUEB-Econ) “Taxes versus User Fees in Public Education Finance”

Nikolaos Tsakas (Carlos III – Madrid) “Diffusion by Imitation: The Importance of Targeting Agents”

Sotirios Kokas (Univ. of Cyprus) “A new Data Set on Bank Competition” [with Sofronis Clerides (Univ. of Cyprus) and Manthos Delis (Univ. of Surrey)]

Elias Boultzis (AUEB-Econ) “Common Agency with Caring Agents”

Filippos Petroulakis (Univ. of Maryland) “Labor Supply and the Estate Tax”

Georgia Michailidou (Univ. of Nottingham) “Distributive Justice and Relative Economic Status” [with Abigail Barr (Univ. of Nottingham) and Renner Elke (Univ. of Nottingham)]

Lorenzo Burlon (Bank of Italy) “Ownership Networks and Aggregate Volatility”

Dimitrios Minos (Univ. of Göttingen) “Overweight and Obesity among Women in Low- and Middle Income Countries: A Panel Data Analysis”

14.30 – 16.30

**Parallel Session A: Empirical Industrial Organization II** Chair : Manthos Delis (Univ. of Surrey)

Dimitra Petropoulou (Sussex) “Export Processing and International Outsourcing: Evidence on the Determinants of Outward Processing Exports to the European Union?” [with Xavier Cirera (Sussex) and Dirk Willenbockel (Sussex)]

Sotiris Papaioannou (KEPE) “Regulation and TFP Growth within a Productivity Convergence Model: Industry level evidence from south European countries [with Sophia Dimelis (AUEB-DIEES)]

Sotiris Karkalakos (Univ. of Piraeus) “R&D Networks and Wages in Unionized Labour Markets: Theory and Evidence” [with Vasilis Zikos (Univ. of Surrey and Univ. of the Thai Chamber of Commerce)]

Otto Toivanen (KU Leuven) “Anatomy of Cartel Contracts” [with Ari Hyytinen (Univ. of Jyväskylä and Yrjö Jahnsson Foundation) and Frode Steen (NHH Bergen and CEPR)]

**Parallel Session B: Greek economy studies** Chair: Anna Hardman (Tufts Univ.)

Vangelis Vassilatos (AUEB-Econ) “Greece 1979-2001: A (First) Great Depression” [with Stylianos Gogos (AUEB-Econ), Nikolaos Mylonidis (Univ. of Ioannina), Dimitris Papageorgiou (Bank of Greece)]

Vicky Fouka (Pompeu Fabra) “Reprisals Remembered: German-Greek Conflict and Car Sales during the Euro Crisis 2008-2012” [with Hans-Joachim Voth (Pompeu Fabra)]

Alexander Sarris (Univ. of Athens) “Structural Changes in the Greek Economy during EU Membership and Accession to the Eurozone [with Stavros Zografakis (Univ. of Athens)]

Georgios Bitros (AUEB-Econ) “European Union Failures in Greece and some Possible Explanations”

20:30 *Conference Dinner*

**WEDNESDAY, July 17**

9:00-10:30

**Parallel Session A: Finance II** Chair : George Tsetsekos (Drexel Univ.)

Christos Giannikos (Baruch College) “Ambiguity, Fuzzy Expectations, and the Equity Premium Puzzle [with Aram Balagoyan (Univ. of Scranton)]

Spyros Skouras (AUEB-DIEES) "The Value of Queue Priority" [with Doyne Farmer (Santa Fe Institute)]

Olivier Scaillet (Univ. of Genève and Swiss Finance Institute) "Time-Varying Risk Premium in Large Cross-Sectional Equity Datasets" [with Patrick Gagliardini (Univ. of Lugano and Swiss Finance Institute), Elisa Ossola (Univ. of Lugano)]

**Parallel Session B: International Trade** Chair: George Economides (AUEB-DIEES)

Constantinos Syropoulos (Drexel Univ.) "Conflict and Ricardian Trade: A Classical Liberal Result" [with Michelle Garfinkel (Univ. of California, Irvine) and Stergios Skaperdas (Univ. of California, Irvine)]

Kyriakos Drivas (Univ. of Piraeus) "Is Closeness Important for Idea Flows?" [with Claire Economidou (Univ. of Piraeus), Sotiris Karkalakos (Univ. of Piraeus) and Makis Tionas (AUEB-Econ)]

Fay Makantasi (AUEB-Econ) "Harmony and Disagreement in Custom Unions: the Role of Demand" [with Konstantine Gatsios (AUEB)]

10:30 – 10:45 *Coffee break*

10:45 – 11:35 **Microeconomic Theory Lecture** Chair : Yannis Ioannides (Tufts Univ.)

Juuso Valimaki (Aalto School of Economics) "Common Value Auctions with Costly Entry" [with Pauli Murto (Aalto School of Economics)]

11:35 – 12:25 **Innovation and Productivity Lecture** Chair: Nikos Vettas (AUEB-Econ)

Mark Roberts (Penn State Univ. and NBER) "Firm R&D, Innovation, and Productivity in German Industry" [with Bettina Peters (ZEW), Van Anh Vuong (University of Cologne and EWI, and Helmut Fryges (ZEW)]

12:25 – 12:45 *Coffee break*

12:45 – 14:30

**Parallel Session A: Groups and Incentives** Chair : Christos Kotsogiannis (Exeter)

Kosmas Marinakis (National Research Univ. of Russia) "Incentives, Effort and Peer Effects: A Field Experiment"

Antonios Proestakis (EC, Joint Research Center, Institute for Health and Consumer Protection) "Bilateral Decisions on Free Riding" [with Klaus Abbink (Monash Univ.), Mark Bernard (Maastricht Univ.) and Benedikt Herrmann (EC, Joint Research Center, Institute for Health and Consumer Protection)]

Andreas Drichoutis (Univ. of Ioannina) "What Can Multiple Price Lists Really Tell Us about Risk Preferences?" [with Jayson L. Lusk (Oklahoma State Univ.)]

Philip Oreopoulos (Univ. of Toronto) "Offering Intensive Support to At-Risk High School Students: A Quantitative Evaluation of Regent Park's Pathways to Education" [with Robert S. Brown (Toronto District School Board)]

**Parallel Session B: Macroeconomics I** Chair : Sarantis Kalyvitis (AUEB-DIEES)

Isabel Correia (Banco de Portugal, Universidade Catolica Portuguesa and CEPR) "Labor Immobility and the Transmission Mechanism of Monetary Policy in a Monetary Union" [with Bernardino Adao (Banco de Portugal)]

Anastasia Zervou (Texas A&M) "Monetary Policy and the Risk Premium [with Yulei Peng (Texas A&M)]

Maria Iosifidi (AUEB-Econ) "The role of Taxation in a Ramsey model with Environmental Externalities" [with Saqib Jafarey (City Univ.)]

Constantine Angyridis (Ryerson Univ.) "Endogenous Growth with Public Capital and Progressive Taxation"

14:30 - 15:30 *Lunch*

15:30 - 17: 45

**Parallel Session A: Industrial Organization theory II** Chair : Chrysovalantou Milliou (AUEB-DIEES)

Christos Constantatos (Univ. of Macedonia) "Output Taxes on Duopoly with Brand-Name and Quality Differentiation: Designing policies to provide incentives for efficient investment in abatement" [with Eftichios Sartzetakis (Univ. of Macedonia) and Christos Pargianas (Univ. of Scranton)]

Georgios Farfaras (State Univ. of New York, Buffalo and the Fox School of Business, Temple Univ.) "A Theory of Merger-Driven Alliances"

Apostolis Pavlou (AUEB-Econ) "On Vertical Contracting under Incomplete Information and the Role of Observable Contracts" [with Nikos Vettas (AUEB-Econ)]

Constantine Manasakis (Univ. of Crete) "Horizontal Mergers and Acquisitions with Endogenous Efficiency Gains" [with Christos Cabolis (ALBA), Diego Moreno (Carlos III - Madrid) and Emmanuel Petrakis (Univ. of Crete)]

Christos Cabolis (ALBA) "A Cartel that Lasts for Centuries: The Case of the Eastern Orthodox Church Indulgences" [with Kostas Axaroglou (Democritus Univ. of Thrace) and Nikos Chrissidis (Southern Connecticut Univ.)]

**Parallel Session B: Prices and markets** Chair : John Tsoukalas (Univ. of Glasgow)

Marios Zachariadis (Univ. of Cyprus) "Global Versus Local Shocks in Micro Price Dynamics" [with Philippe Andrade (Banque de France & CREM)]



Lazaros Symeonidis (Univ. of Reading) "The Economic Drivers of Time-varying Commodity Market Volatility" [with Marcel Prokopczuk (Univ. of Reading)]

Evgenia Passari (London Business School, Cass Business School) "Commodity Currencies Revisited"

Romanos Priftis (EUI) "Sources of Borrowing and Fiscal Multipliers" [with Srecko Zimic (EUI)]

Antonis Adam (Univ. of Ioannina) "Income Inequality and the Tax Structure: Evidence from a world sample" [with Pantelis Kammass (Univ. of Ioannina) and Athanasios Lapatinas (Univ. of Ioannina)]

## **THURSDAY, July 18**

8:45 – 10:15

**Parallel Session A: Micro theory and applications** Chair: Nikolas Topaloglou (AUEB-DIEES)

Xeni Dassiou (City Univ. London) "A Tree Formulation for Signaling Games" [with Dionysius Glycopantis (City Univ. London)]

Philippos Louis (Univ. of Zurich) "The Value of Information for Groups"

Dimitrios Xefferis (Univ. of Cyprus) "Simple Centrifugal Incentives in Downsian Dynamics" [with Didier Laussel (Aix-Marseille School of Economics) and Michel Le Breton (Institut Universitaire de France and TSE)]

**Parallel Session B: Social Effects** Chair: Stelios Arvanitis (AUEB-Econ)

Nikos Benos (Univ. of Ioannina) "Heart Mortality and Urbanization: The Role of Unobserved Predictors" [with Thomas Bassetti (University of Padova) and Stelios Karagiannis (KEPE)]

Froso Adamopoulou (Bank of Italy) "Academic Performance and the Great Recession" [with Giulia Tanzi (Bank of Italy)]

Konstantinos Matakos (Univ. of Rochester) "Dragon Boating Alone: Did Social Capital Help Indonesian Households Cope with Economic Crisis?" [with Ari Perdana (Univ. of Jakarta), Elizabeth Radin (Oxford)]

10:15 – 11:45

**Industrial Organization theory keynote lectures** Chair : Konstantine Gatsios (AUEB)

Simon Anderson (Univ. of Virginia) "How Targeted Advertising Affects Price Competition, Profits, and Consumers" [with Alicia Baik (Univ. of Virginia) and Nathan Larson (Univ. of Virginia)]

Patrick Rey (Toulouse School of Economics) "Secret Contracting in Interlocking Relationships" [with Thibaud Vergé (CREST)]

11:45 - 12:00 *Coffee break*

12:00 - 14:15

**Parallel Session A: Econometrics II** Chair: Yannis Billias (AUEB-DIEES)

Yiannis Vrontos (AUEB-Statistics) "Quantile Regression Approach to Equity Premium Prediction" [with Loukia Meligkotsidou (Univ. of Athens - Mathematics), Ekaterini Panopoulou (Univ. of Piraeus - Statistics and Insurance Science) and Spyridon D. Vrontos (Univ. of Piraeus - Statistics and Insurance Science)]

Violetta Dalla (Univ. of Athens) "Studentizing Weighted Sums of Linear Processes" [with L. Giraitis (Queen Mary, Univ. of London) and H.L. Koul (Michigan State Univ.)]

Menelaos Karanasos (Brunel Univ.) "A Unified Theory for Time Varying Models: foundations and applications in the presence of breaks and heteroskedasticity " [with Alexandros Paraskevopoulos (Univ. of Patras) and Stavros Dafnos (Brunel Univ.)]

Michalis Stamatogiannis (Univ. of Bath) "Unit Root Tests in the Presence of Autocorrelated Errors"

Kostas Florios (AUEB-DIES and NTUA) "Computation of Censored Least Absolute Deviations Estimators by Mixed Integer Programming" [with Yannis Biliias (AUEB-DIEES) and Spyros Skouras (AUEB-DIEES)]

**Parallel Session B: Markets and strategic behavior** Chair : Christos Cabolis (ALBA)

Maria Alipranti (Univ. of Crete) "The Speed of Technological Adoption under Price Competition: two-tier vs. one-tier industries" [with Emmanuel Petrakis (Univ. of Crete)]

Panagiotis Fotis (Hellenic Competition Commission) "Minority Share Ownership and Price Leadership in Duopoly Markets" [with George Athanasiou (Hellenic Competition Commission)]

Eleftheria Triviza (Univ. of Bologna) "The Optimal Pricing Scheme when Access Services are Habit Forming"

Sotiris Georganas (Royal Holloway, Univ. of London) "Coalition Formation in a Legislative Voting Game" [with Nels Christiansen (Trinity Univ.) and John H. Kagel (Ohio State Univ.)]

Leonidas Spiliopoulos (Univ. of New South Wales) "Beyond Fictitious Play Beliefs: Incorporating pattern recognition and similarity matching"

14:15 – 15:15 *Lunch*

15:15 End of the conference

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