

*CRETE 2002*

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

Mediterranean Agronomic Institute of Chania

**July 1-4, 2002**

**FINAL PROGRAM**

The ad hoc group of organizers wish to express their gratitude to the **Bank of Greece** and **Alpha Bank** for their financial support to this conference.

Costas Azariadis, Yannis Ioannides, Apostolis Philippopoulos,  
Heracles Polemarchakis and Nikos Vettas

**SUNDAY, June 30**

7:45 - 9:00pm *Informal get-together* (form a dinner group!)  
At the MAICh students' lounge (restaurant/bar)

**MONDAY, July 1**

9:00 - 11:30 **Macroeconomics I** Chair: Costas Azariadis

Theodore Palivos (University of Ioannina) "Optimal Monetary Policy with Heterogeneous Agents: A Case for Inflation"

Harris Dellas (University of Bern) "Wage Rigidity and Monetary Union" [with George Tavlas (Bank of Greece)].

Dimitris Tsomocos (Bank of England) "Monetary and Regulatory Non-Neutrality and Determinacy of Monetary Equilibria with Commercial Banks and Default" [joint with Veanous Arakelian (Athens Doctoral Program)].

11:30 - 12:00 *Coffee*

12:00 - 2:30 **Auctions / Industrial Organization** Chair: Emmanuel Petrakis

Vasiliki Skreta (IAE, Barcelona and University of Minnesota) "Optimal Auction Design under Non-Commitment"

Eleftherios Zacharias (University of Cyprus) "Intertemporal Pricing and Price Discrimination: A Semiparametric Hedonic Analysis of the Personal Computer Market" [with Thanassis Stengos (University of Guelph)]

Nikos Vettas (University of Athens) "Foreign Direct Investment and Exports with Growing Demand" [with Rafael Rob (University of Pennsylvania)]

2:30 - 3:45 *Lunch*

**TUESDAY, July 2**

9:00 - 11:30 **Credit / Finance** Chair: Harris Dellas

Michael Haliassos (University of Cyprus) "Debt Revolvers for Self Control" [with Carol C. Bertaut (Board of Governors, Federal Reserve System)]

Konstantinos Papadopoulos (Aristotelian University of Thessaloniki) "Arbitrage and Equilibrium in Strategic Securities Markets" [with Leonidas Koutsougeras (University of Manchester)]

Dimitri Vayanos (MIT) “Equilibrium and Welfare in Markets with Financially Constrained Arbitrageurs” [with Denis Gromb (London Business School)]

11:30 – 12:00 *Coffee*

12:00 – 1:30 **Macroeconomics Lecture** Chair: Herakles Polemarchakis

Costas Azariadis (UCLA) “Theories of Everything in Macroeconomics”

1:30 – 2:45 *Lunch*

2:45 – 5:15 **Microeconomics / Public Economics** Chair: Stergios Skaperdas

Herakles Polemarchakis (Brown University) “Pareto Improving Taxes”

Emmanuel Drandakis (Athens University of Economics and Business) “Caratheodory’s Theorem on Constrained Optimization and Comparative Statics”

Miltos Makris (University of Exeter) “Administrative Bureaus with Standard Operating Procedures”

### **WEDNESDAY, July 3**

9:00 – 10:40 **Macroeconomics II** Chair: Louka Katseli

Thomas Moutos (Athens University of Economics and Business) “Some Macroeconomic Consequences of Basic Income and Employment Subsidies”

Vangelis Vasillatos (University of Ioannina) “Extraction of Social Capital and Economic Growth” [with Apostolis Philippopoulos and Sophia Dimeli (Athens University of Economics and Business)]

10:40 – 11:10 *Coffee*

11:10 – 1:40 **Econometric Theory** Chair: Yannis Ioannides

Vassilis Hajivassiliou (LSE) “The Method of Maximum Smoothly Simulated Likelihood for LDV Models with Simultaneity”

Spyros Skouras (Santa Fe Institute) “Decisionmetrics: a Decision-based Approach to Econometric Modelling”

Nikitas Pittis (University of Pireaus) “Cointegration under GARCH”

1:40 – 3:00 *Lunch*

3:00 – 4:30 **Finance** Chair: Emmanuel Drandakis

Ioannis Polyrakis (National and Technical University of Athens) “Minimum Cost Portfolio Insurance”

Charalampos Aliprantis (Purdue University) “The Cheapest Hedge” [with Yiannis Polyrakis (National and Technical University of Athens) and Rabee Tourky (University of Melbourne)]

4:45– 5:45 **Graduate students’ poster session**

9:00 *Conference Dinner* (Taverna Θαλασσινό Αγέρι, Chania – transportation by bus from and to MAICH)

**THURSDAY**, July 4

9:00 – 11:30 **Externalities** Chair: Theodore Palivos

Stergios Skaperdas (University of California, Irvine), “Costly Enforcement of Property Rights and the Coase Theorem” [with Alexander Robson (Australian National University)]

Apostolis Philippopoulos (Athens University of Economics and Business) “Choosing Union Membership”

Yannis Ioannides (Tufts University) “Interactions, Neighborhood Selection and Housing Demand” [with Jeffrey Zabel (Tufts University)]

11:30 – 12:00 *Coffee*

12:00 – 2:30 **Environment / Resource Economics** Chair: Anna Hardman

Panos Hatzipanayotou (Athens University of Economics and Business) “Optimal Tax Policies under Two-stage Clean-up, Cross-border Pollution and Capital mobility”

Phoebe Koundouri (University of Reading and UCL) “Irrigation Water Management Under Risk” [with B. Groom (UCL), C. Nauges (LEERNA-INRA, Toulouse), A. Thomas (LEERNA-INRA, Toulouse)]

Emmanuel Petrakis (University of Crete) “Location Decisions of a Polluting Firm and Time Consistency of Environmental Policy” [with Anastasios Xepapadeas (University of Crete)]

2:30 – 3:45 *Lunch*

**SUMMER SCHOOL IN ECONOMIC AND ECONOMETRIC THEORY**  
Chania, Crete, 1-4 July 2002

List of Participants

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