

SESSIONS

WEDNESDAY 20TH AUGUST 2003

09:00 - 10:30

REVIEW OF ECONOMIC STUDIES LECTURE (ESEM)

Room Aula Magna

Chairperson: Andrew Chesher (University College London)

THE VALUE OF IMPROVEMENTS IN HEALTH AND LONGEVITY

Kevin Murphy, University of Chicago

Discussant(s): James Banks, University College London

10:30 - 12:30

EEA POSTER SESSION 1

10:30 - 12:30

ACCESSION TRADE AND FDI (EEA)

Poster Area P1

Organizer: David Greenaway, University of Nottingham

FOREIGN DIRECT INVESTMENT IN CENTRAL AND EASTERN EUROPEAN COUNTRIES: A DYNAMIC PANEL ANALYSIS

Farid Toubal, Kiel University

Co-Author(s): Kai Carstensen, Kiel Institut for World Economics

TRADE ADVANTAGES AND SPECIALIZATION CONVERGENCE IN ACCESSION COUNTRIES

Andrea Zaghini, ECB - Bank of Italy

MODELLING THE ROLE OF FDI IN TRADE IN THE EU ACCESSION COUNTRIES

Olga Pomerantz, National Institute of Economic and Social Research

Co-Author(s): Ray Barrell, NIESR and Dawn Holland, NIESR

EXPORT-PLATFORM FOREIGN DIRECT INVESTMENT

Rikard Forslid, Stockholm University

Co-Author(s): Karolina Ekholm, Stockholm School of Economics and James Markusen, University of Colorado

10:30 - 12:30

EMPIRICAL LABOUR ECONOMICS (EEA)

Poster Area P2

Organizer: Pedro Mira, CEMFI

**SKILL OBSOLESCENCE AND INDIVIDUAL
HETEROGENEITY**

Michael Maier, University of Konstanz and Centre for European
Economic Research (ZEW), Mannheim

Co-Author(s): Friedhelm Pfeiffer, Centre for European Economic
Research (ZEW), Mannheim and Winfried Pohlmeier, University
of Konstanz

CRIME AND UNEMPLOYMENT IN TURBULENT TIMES

Anna Nilsson, Stockholm University and Institute for Labour
Market Policy Evaluation (IFAU)

Co-Author(s): Jonas Agell, Stockholm University and CESifo

**ECONOMIC INCENTIVES AND GENDER DIFFERENCES IN
WORK ABSENCE BEHAVIOR**

Marten Palme, Department of Economics, Stockholm University

Co-Author(s): Göran Broström, Department of Statistics, Umeå
University

10:30 - 12:30

EXCHANGE RATES (EEA)

Poster Area P3

Organizer: Karim Abadir, University of York

**RATIONALIZING THE UNIT ROOT IN REAL EXCHANGE
RATES: BAYESIAN EXPECTATIONS ON REAL INTEREST
DIFFERENTIALS**

Richard Kleijn, Econometric Institute/Erasmus University
Rotterdam

Co-Author(s): Herman K. van Dijk, Erasmus University
Rotterdam

**GENERALIZED QUADRATIC MOVING-AVERAGE
CONDITIONAL HETEROSKEDASTICITY WITH ESTIMATES
OF THE VOLATILITY OF THE D. MARK-US DOLLAR
EXCHANGE RATE**

Daniel Ventosa Santaularia, GREQAM

**THE U.S. DOLLAR REAL EXCHANGE RATE. A REAL
OPTION APPROACH**

Markus Lahtinen, University of Tampere

**FIXED EXCHANGE RATE REGIMES AND NATIONAL PRICE
LEVELS: EVIDENCE FROM LATIN AMERICAN COUNTRIES**

Anne-Laure Baldi, FORUM- University of Paris 10 Nanterre

10:30 - 12:30

FINANCIAL MARKETS POSTER (EEA)

Poster Area P4

UNCERTAINTY AND LIQUIDITY IN ORDER DRIVEN MARKETS

Matei Demetrescu, Technische Universität Darmstadt

HERDING AND CONTRARIAN BEHAVIOR IN FINANCIAL MARKETS - AN INTERNET EXPERIMENT

Mathias Drehmann, Bank of England

Co-Author(s): Joerg Oechssler, University of Bonn and Andreas Roider, University of Bonn

SPECULATIVE ATTACKS ON DEBTS AND OPTIMUM CURRENCY AREA: A WELFARE ANALYSIS

Marcia Leon, Banco Central do Brasil

Co-Author(s): Aloisio Araujo, Escola de Pós-Graduação em Economia (Fundação Getúlio Vargas) and Instituto de Matemática Pura e Aplicada

WHO BENEFITS FROM IPO UNDERPRICING? EVIDENCE FROM HYBRID BOOK BUILDING OFFERINGS

Vicente Pons, Yale University

10:30 - 12:30

SAVING AND PORTFOLIO CHOICES (EEA)

Poster Area P5

Organizer: Alex Michaelides, London School of Economics

REDISTRIBUTIVE POLICIES THROUGH TAXATION: THEORY AND EVIDENCE

Charles Grant, EUI

Co-Author(s): Alex Michaelides, London School of Economics

OPTIMAL REAL INVESTMENT WITH STOCHASTIC INCOME: A QUASI-EXPLICIT SOLUTION FOR HARA INVESTORS

Francesco Menoncin, Université Catholique de Louvain

OPTIMAL LIFE-CYCLE ASSET ALLOCATION: UNDERSTANDING THE EMPIRICAL EVIDENCE

Alex Michaelides, London School of Economics

Co-Author(s): Francisco Gomes, London Business School

TESTING EXTERNAL HABITS IN U.S. STATE CONSUMPTION

George Korniotis, University of Notre Dame

10:30 – 12:30	POLITICAL ECONOMY (EEA)	Poster Area A6
---------------	--------------------------------	----------------

POLITICAL INSTITUTIONS AND REDISTRIBUTION

Thomas Renstrom, University of Durham

INCENTIVE CONTRACTS FOR POLITICIANS AND THE INFORMATION EFFICIENCY OF A DEMOCRACY

Verena Liessem, University of Heidelberg

VOTERS' AND POLITICIANS' PREFERENCES FOR WELFARE SERVICES: DO THEY MATCH?

Hanna Ågren, Department of Economics, Uppsala University
Co-Author(s): Matz Dahlberg, Uppsala University and Eva Mörk, IFAU

TERM LIMITS AND POLITICAL ACCOUNTABILITY

Daniel Sturm, University of Munich
Co-Author(s): Michael Smart, University of Toronto

10:30 – 11:00	REFRESHMENTS
---------------	---------------------

11:00 – 12:30	INVITED SESSION EEA
---------------	-------------------------------

11:00 – 12:30	ACADEMIC PUBLISHING: THE END OF EXPLOITATION? (EEA)	Room B4
---------------	--	---------

Chairperson: Tore Ellingsen, Stockholm School of Economics

ACADEMIC PUBLISHING THE END OF EXPLOITATION?

Ted Bergstrom, University of California, Santa Barbara, Aaron Edlin, University of California, Berkeley, Mark McCabe, Georgia Institute of Technology and Hanns Peter Nehl, European Commission

11:00 - 12:30	CONTRIBUTED SESSIONS ESEM: Theoretical and Applied Economics
---------------	--

11:00 - 12:30	GAME THEORY I (ET)	Room E306
---------------	---------------------------	-----------

Chairperson: Martin Meier, CORE-UCL

ADAPTATION AND COMPLEXITY IN REPEATED GAMES

Eliot Maenner, University of Essex

BELIEF-FREE EQUILIBRIA

Johannes Horner, KSM-MEDS, Northwestern University
Co-Author(s): Jeffrey Ely, Dept. of Economics, Northwestern University and Wojciech Olszewski, Dept. of Economics, Northwestern University

FINITELY ADDITIVE BELIEFS AND UNIVERSAL TYPE SPACES

Martin Meier, CORE-UCL

11:00 - 12:30	PREFERENCES AND DECISION-MAKING II (ET) Chairperson: Martin Bøg, Dept. of Economics, UCL, London	Room E319
---------------	--	-----------

VALUING LIFE UNDER THE SHADOW OF DEATH

Antoine Bommier, University of Toulouse (GREMAQ)

VARIANCE VULNERABILITY, BACKGROUND RISKS, AND MEAN-VARIANCE PREFERENCES

Andreas Wagener, University of Vienna
Co-Author(s): Thomas Eichner, University of Siegen

WHOM SHOULD I OBSERVE? - OBSERVATION AND IMITATION IN SIMPLE BANDIT PROBLEMS

Martin Bøg, Dept. of Economics, UCL, London

11:00 - 12:30	TAXATION I (ET) Chairperson: Leopold von Thadden, Research Centre, Deutsche Bundesbank	Room E413
---------------	--	-----------

AGE RELATED OPTIMAL INCOME TAXATION

Soren Blomquist, Dept. of Economics, Uppsala University
Co-Author(s): Luca Micheletto, Bocconi University

DYNAMIC OPTIMAL TAXATION WITH HUMAN CAPITAL

Leslie J. Reinhorn, University of Durham

OPTIMAL FACTOR TAXATION UNDER WAGE BARGAINING - A DYNAMIC PERSPECTIVE

Leopold von Thadden, Research Centre, Deutsche Bundesbank
Co-Author(s): Erkki Koskela, University of Helsinki

11:00 - 12:30	CONTRACT THEORY I (ET) Chairperson: Ramon Marimon, Universitat Pompeu Fabra, CEPR, NBER	Room E487
---------------	---	-----------

AMBIGUOUS CONTRACTING: NATURAL LANGUAGE AND JUDICIAL INTERPRETATION

Dragan Filipovich, El Colegio de Mexico
Co-Author(s): Shurojit Chatterji, ITAM

ANONYMOUS COMPETITIVE CONTRACTS

Yohan Pelosse, GATE, University of Lyon 2

AGGREGATE CONSEQUENCES OF LIMITED CONTRACT ENFORCEABILITY

Ramon Marimon, Universitat Pompeu Fabra, CEPR, NBER
Co-Author(s): Thomas Cooley, New York University and
Vincenzo Quadrini, New York University

11:00 - 12:30

NETWORKS I (ET)

Chairperson: Dirk Van de gaer, Ghent University,
SHERPPA

Room E497

BILATERAL BARGAINING IN NETWORKS

Arnold Polanski, Universidad Alicante

BY FILTHY SOIL, BUT NOT CONTAMINATED

Shyh-Fang Ueng, Institute of Economics, Academia Sinica,
Taipei, Taiwan

DISENTANGLING NETWORKS: DEFINING AND ANALYZING COHESIVE SUBGROUPS

Dirk Van de gaer, Ghent University, SHERPPA
Co-Author(s): Joachim De Weerd, CES, KULeuven

11:00 - 12:30

ASSET MARKETS (ET)

Chairperson: Ani Guerdjikova, Alfred Weber Institute,
University of Heidelberg

Room F12

AGGREGATE UNCERTAINTY, INDIVIDUAL UNCERTAINTY AND THE HOUSING MARKET

Brian Peterson, Indiana University

ASSET PRICE VOLATILITY AND TRADING VOLUME WITH RATIONAL BELIEFS

Ho-Mou Wu, National Taiwan University
Co-Author(s): Wen-Chung Guo, Yuan Ze University

ASSET PRICING IN AN OVERLAPPING GENERATIONS MODEL WITH CASE-BASED DECISION MAKERS

Ani Guerdjikova, Alfred Weber Institute, University of Heidelberg

11:00 - 12:30

COOPERATIVE GAME THEORY (ET)

Chairperson: Chen-Ying Huang, National Taiwan
University, Department of Economics

Room F220

A COMPENSATION RULE FOR PROJECT-ALLOCATION GAMES

Yuan Ju, CentER, Tilburg University
Co-Author(s): Pieter Ruys, CentER and TIAS Business School,
Tilburg University

DISTRIBUTION OF HARSANYI DIVIDENDS IN LINE-GRAPH GAMES

Gerard van der Laan, Free University of Amsterdam
Co-Author(s): Rene Van den Brink, Free University and Valeri Vasilev, Sobolev Institute of Mathematics

R-CORE IMPLEMENTATION

Chen-Ying Huang, National Taiwan University, Department of Economics
Co-Author(s): Tomas Sjostrom, Penn State University, Department of Economics

11:00 - 12:30	CORPORATE FINANCE (ET) Chairperson: Carole Haritchabalet, GREMAQ, University of Toulouse	Room F289
---------------	--	-----------

BUSINESS GROUPS IN EMERGING MARKETS - SUBSTITUTES FOR MISSING INSTITUTIONS

Christa Hainz, University of Munich

LEARNING AND SYNDICATION IN VENTURE CAPITAL INVESTMENTS

Carole Haritchabalet, GREMAQ, University of Toulouse
Co-Author(s): Catherine CASAMATTA, UT1

11:00 - 12:30	CONTRIBUTED SESSIONS ESEM: Econometrics and Empirical Economics
---------------	---

11:00 - 12:30	ASSET PRICING (EC) Chairperson: René Garcia, Université de Montréal	Room F299
---------------	---	-----------

RESIDUAL-BASED FINITE-SAMPLE MISSPECIFICATION TESTS IN MULTIVARIATE REGRESSIONS WITH APPLICATIONS TO ASSET PRICING MODELS

Marie-Claude Beaulieu, Finance Department, Université Laval and Lynda Khalaf, Economics Department, Université Laval
Co-Author(s): Jean-Marie Dufour, University of Montreal

SELECTION OF FACTORS IN A MULTIFACTOR PRICING MODEL: A BAYESIAN MODEL SELECTION APPROACH

Johan Ericsson, Department of Economic Statistics, Stockholm School of Economics
Co-Author(s): Karlsson Sune, Stockholm School of Economics

A CONSUMPTION CAPM WITH A REFERENCE LEVEL

René Garcia, Université de Montréal
Co-Author(s): Eric Renault, Université de Montreal and Andrei Semenov, Université de Montréal

11:00 - 12:30	BUSINESS CYCLES: EMPIRICAL I (EC) Chairperson: Giuseppe De Arcangelis, Università di	Room F315
---------------	--	-----------

Bari

**THE STATE-OF-THE-ECONOMY INDEX AND THE
PROBABILITY OF RECESSION: THE MARKOV REGIME-
SWITCHING MODEL**

Tanya Suchoy, Bank of Israel

Co-Author(s): Arie Marom, Bank of Israel and Yigal Menashe,
Bank of Israel

**THE BUSINESS CYCLE OF EUROPEAN COUNTRIES.
BAYESIAN CLUSTERING OF COUNTRY-INDIVIDUAL IP
GROWTH SERIES.**

Sylvia Kaufmann, Oesterreichische Nationalbank

**THE BUSINESS CYCLE AND ITS INTERNATIONAL
TRANSMISSION: RECENT CHANGES FOR THE ITALIAN
ECONOMY**

De Arcangelis Giuseppe, Università di Bari

Co-Author(s): Cerciello Benedetta, Ministry of Economy and
Finance, Giorgia Giovannetti, Università di Firenze and Cacciotti
Marco, Ministry of Economy and Finance, Università di Verona

11:00 - 12:30

ECONOMICS OF EDUCATION I (EC)

Room F389

Chairperson: Maria Ferreyra, Carnegie Mellon
University

**EDUCATIONAL PRODUCTION, ENDOGENOUS PEER
GROUP FORMATION AND CLASS COMPOSITION –
EVIDENCE FROM THE PISA 2000 STUDY**

Michael Fertig, RWI-Essen

**PARENTAL INCOME AND SCHOOL ATTENDANCE IN A
LOW-INCOME COUNTRY: A SEMI-PARAMETRIC ANALYSIS**

Denis Cogneau, DIAL, IRD

Co-Author(s): Eric Maurin, CREST-INSEE

**ESTIMATING THE EFFECTS OF PRIVATE SCHOOL
VOUCHERS IN MULTI-DISTRICT ECONOMIES**

Maria Ferreyra, Carnegie Mellon University

11:00 - 12:30

GROWTH: EMPIRICAL I (EC)

Room F397

Chairperson: Siem Jan Koopman, Free University
Amsterdam

**ECONOMIC GROWTH: A CHANNEL ACCOUNTING
EXERCISE**

Wei-Kang Wong, Department of Economics, NUS

**REGIONAL CONVERGENCE IN THE EUROPEAN UNION
(1985-1999): A SPATIAL DYNAMIC PANEL ANALYSIS**

Harald Badinger, Institute for European Affairs,
Wirtschaftsuniversität Wien and Gabriele Tondl, University of
Economics & BA Vienna
Co-Author(s): Werner Mueller, University of Economics and BA

**THE COMMON CONVERGING TREND-CYCLE MODEL:
ESTIMATION, MODELING AND AN APPLICATION TO
EUROPEAN CONVERGENCE**

Siem Jan Koopman, Free University Amsterdam
Co-Author(s): Rob Lugimbuhl, Free University Amsterdam

11:00 - 12:30

MONETARY POLICY TRANSMISSION I (EC)

Room F413

Chairperson: Eric Swanson, Federal Reserve Board

**REAL EXCHANGE RATE PERSISTENCE AND SYSTEMIC
MONETARY POLICY BEHAVIOUR**

Jan J J Groen, Bank of England
Co-Author(s): Akito Matsumoto, University of Wisconsin at
Madison

**MONETARY SHOCKS AND REAL EXCHANGE RATE
DYNAMICS**

Daniela Federici
Co-Author(s): Sergio Santoro

**IDENTIFYING THE EFFECTS OF MONETARY POLICY
SHOCKS ON EXCHANGE RATES USING HIGH FREQUENCY
DATA**

Eric Swanson, Federal Reserve Board
Co-Author(s): Jon Faust, Federal Reserve Board, John Rogers,
Federal Reserve Board and Jonathan Wright, Federal Reserve
Board

11:00 - 12:30

PRODUCTIVITY: EMPIRICAL I (EC)

Room F420

Chairperson: Enrique Lopez-Bazo, AQR-University
of Barcelona

**DOES FOREIGN DIRECT INVESTMENT INCREASE THE
PRODUCTIVITY OF DOMESTIC FIRMS? IN SEARCH OF
SPILLOVERS THROUGH BACKWARD LINKAGES**

Beata Smarzynska, World Bank

**BAYESIAN MEASUREMENT OF PRODUCTIVITY AND
EFFICIENCY IN THE PRESENCE OF UNDESIRABLE
OUTPUTS: CREDITING ELECTRIC UTILITIES FOR
REDUCING AIR POLLUTION**

Scott Atkinson, University of Georgia
Co-Author(s): Jeffrey Dorfman, University of Georgia, Athens,
GA

**EXPLAINING THE DISTRIBUTION OF MANUFACTURING
PRODUCTIVITY IN THE EU REGIONS**

Enrique Lopez-Bazo, AQR-University of Barcelona
Co-Author(s): Bernard Fingleton, Dept of Land Economics,
University of Cambridge

11:00 - 12:30

SEMI- AND NON-PARAMETRIC METHODS I (EC)

Room D7

Chairperson: Thierry Magnac, INRA-LEA and
CREST-INSEE

**EFFICIENT CONDITIONAL QUANTILE MODEL ESTIMATION
AND SPECIFICATION TESTING**

Ivana Komunjer, Caltech

**A DERIVATIVE BASED ESTIMATOR FOR
SEMIPARAMETRIC INDEX MODELS**

Bas Donkers, Erasmus University Rotterdam
Co-Author(s): Marcia Schafgans, London School of Economics

**IDENTIFICATION AND INFORMATION IN MONOTONE
BINARY MODELS**

Thierry Magnac, INRA-LEA and CREST-INSEE
Co-Author(s): Eric Maurin, CREST-INSEE

11:00 - 12:30

VOLATILITY MODELS (EC)

Room F487

Chairperson: Pedro L. Valls Pereira, Ibmecc Business
School

FORECASTING WITH CYCLICAL STOCHASTIC VOLATILITY

Ilias Tsiakas, Warwick Business School

**FORECASTING VOLATILITY USING A CONTINUOUS TIME
MODEL**

Maria Helena Veiga, Universitat Autònoma de Barcelona and
Universidade do Porto

**STOCHASTIC VOLATILITY MODELS WITH MARKOV
REGIME SWITCHING STATE EQUATIONS**

Pedro L. Valls Pereira, Ibmecc Business School
Co-Author(s): Soosung Hwang, Cass Business School and
Steve E. Satchell, University of Cambridge

11:00 - 12:30

CONTRIBUTED SESSIONS
EEA

11:00 - 12:30

INDUSTRIAL ORGANISATION I (EEA)

Room A5137

Chairperson: Axel F.A. Adam-Müller, University of Konstanz, Germany

PUBLIC SECTOR SCIENCE AND THE STRATEGY OF THE COMMONS

Ajay Agrawal, Queen

Co-Author(s): Lorenzo Garlappi, University of Texas at Austin

EMPLOYMENT PROTECTION AND PRODUCT MARKET COMPETITION

Sebastian Kessing, Free University Berlin

INTERGENERATIONAL REPUTATION TRANSFER

Hendrik Hakenes, University of Mannheim

OPTIMAL LOCATION UNDER DEMAND UNCERTAINTY

Axel F.A. Adam-Müller, University of Konstanz, Germany

Co-Author(s): Kit Pong Wong, Hong Kong University, School of Economics and Finance

11:00 - 12:30

PUBLIC ECONOMICS (EEA)

Room C497

Chairperson: Dag Morten Dalen, Norwegian School of Management

REGIONAL POLICIES AND INEQUALITIES: ARE SUBSIDIES GOOD FOR YOU?

Vincent Dupont, University of Lille 1

Co-Author(s): Philippe Martin, University of Paris 1, CERAS and CEPR

DISCRETE PUBLIC GOODS: CONTRIBUTION LEVELS AND LEARNING AS OUTCOMES OF AN EVOLUTIONARY GAME

Christiane Clemens, University of Hannover

Co-Author(s): Thomas Riechmann, University of Magdeburg

SEQUENCING LIFELINE REPAIRS AFTER AN EARTHQUAKE: AN ECONOMIC APPROACH

Marco Casari, Universitat Autònoma de Barcelona

Co-Author(s): Simon Wilkie, California Institute of Technology and Federal Communications Commission

THE PROPER SCOPE OF GOVERNMENTS WHEN COSTS ARE CONTRACTIBLE

Dag Morten Dalen, Norwegian School of Management

Co-Author(s): Espen Moen, Norwegian School of Management

11:00 - 12:30	MONETARY POLICY I (EEA) Chairperson: Giorgio Primiceri, Princeton University	Room D207
---------------	--	-----------

MONEY GROWTH RULES, LIQUIDITY EFFECTS, AND OUTPUT PERSISTENCE

Ibrahim Chowdhury, University of Cologne
Co-Author(s): Andreas Schabert, University of Cologne

TRADE CREDIT, BANK LENDING AND MONETARY POLICY TRANSMISSION

Spiros Bougheas, University of Nottingham
Co-Author(s): Simona Mateut, and Paul Mizen

OPTIMAL MONETARY POLICY AND PRODUCTIVITY GROWTH

Andrea Tambalotti, Princeton University

TIME VARYING STRUCTURAL VECTOR AUTOREGRESSIONS AND MONETARY POLICY

Giorgio Primiceri, Princeton University

11:00 - 12:30	FIRM BEHAVIOUR (EEA) Chairperson: Susanne Prantl, Institute for Fiscal Studies and University College London	Room D220
---------------	--	-----------

DUALITY THEORY OF NONCONVEX TECHNOLOGIES

Timo Kuosmanen, Wageningen University

THE IMPACT OF TRAINING INTENSITY ON ESTABLISHMENT PRODUCTIVITY

Thomas Zwick, Centre for European Economic Research (ZEW)

FINANCIAL AND LABOR MARKET INTERACTIONS: SPECIFIC INVESTMENTS AND MARKET LIQUIDITY

Ekkehard Ernst, European Central Bank
Co-Author(s): Bruno Amable, University of Paris X - Nanterre

PUBLIC START-UP FINANCING: DOES VARIATION OF CAPITAL COST SUBSIDIES MATTER?

Susanne Prantl, Institute for Fiscal Studies and University College London

11:00 - 12:30	BANKING I (EEA) Chairperson: Luca Casolaro, Banca d'Italia, Servizio Studi	Room B3
---------------	--	---------

BANKS' RISK, MORAL HAZARD AND CAPITALIZATION

Shin Dong Jeung, Michigan State University
Co-Author(s): Thomas D. Jeitschko, Michigan State University

DEBT DEFLATION AND BANK RECAPITALIZATION

Keiichiro Kobayashi, Research Institute of Economy, Trade, and Industry

**MARKET DISCIPLINE, DISCLOSURE AND MORAL HAZARD
IN BANKING**

Erlend Nier, Bank of England

Co-Author(s): Ursel Baumann, Bank of England

**THE PRICING EFFECT OF CERTIFICATION ON BANK
LOANS: EVIDENCE FROM THE SYNDICATED CREDIT
MARKET**

Luca Casolaro, Banca d'Italia, Servizio Studi

Co-Author(s): Dario Focarelli, Banca d'Italia, Servizio Studi and
Alberto Franco Pozzolo, Università del Molise

11:00 - 12:30

EMPIRICAL MACROECONOMICS (EEA)

Room B5

Chairperson: Martin Wagner, University of Bern and
Princeton University

**INFLATION, OUTPUT GROWTH, AND NOMINAL AND REAL
UNCERTAINTY: EMPIRICAL EVIDENCE FOR THE G7**

Stilianos Fountas

Co-Author(s): Menelaos Karanasos

**INTERNATIONAL BUSINESS CYCLES: WHAT ARE THE
FACTS?**

Emanuela Cardia, Université De Montreal

Co-Author(s): Steve Ambler, Université du Quebec, Montreal
and Christian Zimmermann, University of Connecticut

**A COMPARISON OF JOHANSEN'S, BIERENS' AND THE
SUBSPACE ALGORITHM METHOD FOR COINTEGRATION
ANALYSIS**

Martin Wagner, University of Bern and Princeton University

11:00 - 12:30

AUCTIONS I (EEA)

Room D299

Chairperson: Matthew Bennett, Gremaq, Université
de Toulouse

**SPECULATION IN SECOND-PRICE AUCTIONS WITH
RESALE**

Thomas Troger, University of California, Santa Barbara

Co-Author(s): Rod Garratt, University of California Santa
Barbara

**PROCUREMENT MECHANISMS WHEN SIGNALS ABOUT
QUALITY ARE OBSERVABLE**

Anja Schoettner, Humboldt University at Berlin

LARGE AUCTIONS

Adam Szeidl, Harvard University

Co-Author(s): Drew Fudenberg, Harvard University and Markus
Mobius, Harvard University

**IS THE OPTIMAL AUCTION A BEAUTY CONTEST? A
MODEL OF AUCTIONS, ASYMMETRIC INFORMATION AND
REGULATION**

Matthew Bennett, Gremaq, Université de Toulouse

11:00 - 12:30	CREDIT MARKETS (EEA) Chairperson: Silvia Magri, Bank of Italy	Room D307
---------------	---	-----------

**NUMBER OF BANKS AND CREDIT RELATIONSHIPS
EMPIRICAL RESULTS FROM FRENCH SMALL BUSINESS
DATA**

Ydriss Ziane, MODEM (CNRS UMR 7545)

**INFORMATION ACQUISITION UNDER UNCERTAINTY IN
CREDIT MARKETS**

Priyodorshi Banerjee, Ohio State University

**ITALIAN HOUSEHOLDS' DEBT: DETERMINANTS OF
DEMAND AND SUPPLY**

Silvia Magri, Bank of Italy

11:00 - 12:30	ENVIRONMENTAL ECONOMICS (EEA) Chairperson: Andreas Ziegler, Centre for European Economic Research (ZEW)	Room D315
---------------	--	-----------

**ECOSYSTEM AND ECONOMY: AN INTEGRATED DYNAMIC
GENERAL EQUILIBRIUM APPROACH**

Thomas Eichner, University of Siegen

Co-Author(s): Rüdiger Pethig, University of Siegen

NEW HOPE FOR THE PORTER-HYPOTHESIS?

Mads Greaker, Statistics Norway

**THE EFFECT OF ENVIRONMENTAL AND SOCIAL
PERFORMANCE ON THE SHAREHOLDER VALUE OF
EUROPEAN STOCK CORPORATIONS**

Andreas Ziegler, Centre for European Economic Research
(ZEW)

Co-Author(s): Klaus Rennings, Centre for European Economic
Research (ZEW) and Michael Schroeder, Zentrum fuer
Europaeische Wirtschaftsforschung (ZEW) Mannheim

11:00 - 12:30	LABOUR SUPPLY (EEA) Chairperson: Michael Gerfin, Department of Economics, University of Bern	Room D320
---------------	---	-----------

**A COLLECTIVE MODEL FOR FEMALE LABOUR SUPPLY
WITH NONPARTICIPATION AND TAXATION**

Frederic Vermeulen, Center for Economic Studies, University of
Leuven

**HOW CAN WE INCREASE THE ELDERLY'S PARTICIPATION
RATE? THE EFFECTIVENESS OF INCENTIVE SCHEMES IN
A MODEL OF RETIREMENT BEHAVIOR AND WEALTH**

Thepthida Sopraseuth, University of Evry, EPEE and
CEPREMAP

Co-Author(s): Jean-Olivier Hairault, EUREQua, University of
Paris 1 and CEPREMAP and Francois Langot, GAINS,
University of Maine and CEPREMAP

**THE IMPACT OF IN-WORK BENEFITS ON POVERTY AND
HOUSEHOLD LABOUR SUPPLY - A SIMULATION STUDY
FOR SWITZERLAND**

Michael Gerfin, Department of Economics, University of Bern
Co-Author(s): Robert E. Leu, Department of Economics,
University of Bern

11:00 - 12:30

INTERNATIONAL TRADE (EEA)

Room D397

Chairperson: Mary Amiti, University of Melbourne

ON THE EXPLANATION OF REGIONALISM WAVES

Jung Hur, National University of Singapore
Co-Author(s): Yohanes Eko Riyanto, Department of Economics,
National University of Singapore

**EXPORTS, PRODUCT DIFFERENTIATION AND R&D
SPILLOVERS**

Miguel Leon-Ledesma, University of Kent

**HOW THE SEQUENCE OF TRADE LIBERALISATION
AFFECTS INDUSTRIAL LOCATION**

Mary Amiti, University of Melbourne

11:00 - 12:30

LABOUR CONTRACTS (EEA)

Room E397

Chairperson: Nathalie Havet, CIRPEE, Laval
University

**A THEORY OF CAREERS IN HIERARCHICAL INTERNAL
LABOR MARKETS**

Thomas Dohmen, IZA

**AN ASSESSMENT OF THE IMPACT OF SHORT TERM
CONTRACTS ON INDIVIDUAL LABOR MARKET HISTORIES**

Marie-Laure Michaud, EUREQua - University Paris 1
Co-Author(s): Muriel Roger, INRA – LEA

**MALE AND FEMALE CAREERS: A DYNAMIC MODEL OF
STATISTICAL DISCRIMINATION**

Nathalie Havet, CIRPEE, Laval University
Co-Author(s): Catherine Sofer, TEAM, Université de Paris-
Panthéon-Sorbonne

11:00 - 12:30

FISCAL POLICY (EEA)

Room F3154

Chairperson: Gerhard Reitschuler, Oesterreichische
Nationalbank

**AUTOMATIC STABILIZERS, FISCAL RULES AND
MACROECONOMIC STABILITY**

Rafael Domenech, University of Valencia
Co-Author(s): Javier Andres, University of Valencia

OVERLAPPING OF FISCAL POLICIES: COULD IT BE DESIRABLE?

Leonzio Rizzo, University of Ferrara and LSE-STICERD

A NONLINEAR GROWTH EFFECT OF FISCAL POLICY? THE SPECIAL CASE OF US DEFENSE POLICY

Gerhard Reitschuler, Oesterreichische Nationalbank

Co-Author(s): Jesús Crespo Cuaresma, University of Vienna

12:30 - 14:00

LUNCH

14:00 - 16:00

CONTRIBUTED SESSIONS

ESEM: Theoretical and Applied Economics

14:00 - 16:00

LABOUR MARKETS I (ET)

Room E306

Chairperson: Giovanna Vallanti, Centre for Economic Performance and London School of Economics

HOUSING MARKETS AND LABOR MOBILITY

Heikki Kauppi, University of Helsinki

INVESTING IN REPUTATION: STRATEGIC CHOICES IN CAREER-BUILDING

William Chan, University of Hong Kong

Co-Author(s): Wing Suen, University of Hong Kong

LIFETIME LABOR SUPPLY IN A SEARCH MODEL OF UNEMPLOYMENT

Peter Broer, OCFEB and CPB Netherlands Bureau of Economic Policy Analysis

Co-Author(s): Leon Bettendorf, OCFEB

PRODUCTIVITY GROWTH AND EMPLOYMENT: THEORY AND PANEL ESTIMATES

Giovanna Vallanti, Centre for Economic Performance and London School of Economics

Co-Author(s): Chris Pissarides, London School of Economics

14:00 - 16:00

INDUSTRIAL ORGANISATION I (ET)

Room E319

Chairperson: Patricia Langohr, Northwestern University

BUNDLING E-JOURNALS

Doh-Shin Jeon, Universitat Pompeu Fabra

Co-Author(s): Domenico Menicucci, Università di Firenze

COMPETITION FOR PIRATABLE GOODS

Paul Belleflamme, CORE, Université Catholique de Louvain

Co-Author(s): Pierre Picard, SES University of Manchester

**COMPETITIVE CONVERGENCE AND DIVERGENCE:
POSITION AND CAPABILITY DYNAMICS**
Patricia Langohr, Northwestern University

**EXPERIENCE GOODS, SWITCHING COSTS AND DYNAMIC
PRICE COMPETITION**
Toker Doganoglu, CINE, University of Kiel

14:00 - 16:00	AUCTIONS I (ET) Chairperson: Marco Haan, University of Groningen	Room E413
---------------	--	-----------

AUCTIONS AS COLLUSION DEVICES
Maarten Janssen, Erasmus University

**AUCTIONS OF DIVISIBLE GOODS WITH ENDOGENOUS
SUPPLY AND THE WALRASIAN OUTCOME**
Damian Damianov, University of Heidelberg

AUCTIONS WITH NUMEROUS BIDDERS
Casper G. De Vries, Erasmus University Rotterdam
Co-Author(s): Silvia Caserta, Euronext

**LICENSE AUCTIONS WHEN WINNING BIDS ARE FINANCED
THROUGH DEBT**
Marco Haan, University of Groningen
Co-Author(s): Linda Toolsema, University of Groningen

14:00 - 16:00	EVOLUTION AND LEARNING I (ET) Chairperson: Burkhard C. Schipper, Bonn Graduate School of Economics, Dept. of Economics, University of Bonn	Room E487
---------------	--	-----------

**LEARNING A RATIONAL EXPECTATIONS EQUILIBRIUM
WHEN INFORMATION IS ASYMMETRIC**
Stephane Gauthier, CREST-LMA and GEMMA
Co-Author(s): Gabriel Desgranges, CREUSET (University of
Saint-Etienne) and THEMA (University of Cergy-Pontoise)

**LEARNING TO PLAY APPROXIMATE NASH EQUILIBRIA IN
GAMES WITH MANY PLAYERS**
Edward Cartwright, Department of Economics, University of
Warwick

**ON INFORMATION OVERLOAD AND SELECTION
PROCEDURES**
Rob van der Noll, Tinbergen Institute Rotterdam

**SUBMODULARITY AND THE EVOLUTION OF WALRASIAN
BEHAVIOR**
Burkhard C. Schipper, Bonn Graduate School of Economics,
Dept. of Economics, University of Bonn

14:00 - 16:00	ENDOGENOUS GROWTH (ET) Chairperson: Dirk Bethmann, Humboldt University Berlin	Room E497
---------------	--	-----------

**A TALE OF TWO GROWTHS: MODELING STOCHASTIC
ENDOGENOUS GROWTH AND GROWTH STOCKS**

Steven Kou, Columbia University
Co-Author(s): Samuel Kou, Harvard University

**CONTEST FOR ATTENTION IN A QUALITY-LADDER MODEL
OF ENDOGENOUS GROWTH**

Volker Grossmann, University of Zurich

**CONVERGENT CYCLICAL BEHAVIOR IN ENDOGENOUS
GROWTH WITH HOUSING**

Paulo Brito, UECE-ISEG, Universidade Tecnica de Lisboa
Co-Author(s): Alfredo Pereira, Department of Economics,
College of William and Mary

**TRANSITIONAL DYNAMICS IN THE UZAWA LUCAS MODEL
OF ENDOGENOUS GROWTH**

Dirk Bethmann, Humboldt University Berlin

14:00 - 16:00	PREFERENCES AND DECISION-MAKING I (ET) Chairperson: W. Henry Chiu, University of Manchester	Room F12
---------------	--	----------

A THEOREM ON PREFERENCE AGGREGATION

Salvador Barberà, Universitat Autònoma de Barcelona

CONTINUOUS LEXICOGRAPHIC PREFERENCES

Vicki Knoblauch, University of Connecticut

**PRECEDENCE RELATIONS AND DESIRABILITY OF
STOCHASTIC CHANGES**

W. Henry Chiu, University of Manchester

INVESTMENT TIMING UNDER INCOMPLETE INFORMATION

Jean-Paul Decamps, GREMAQ Université de Toulouse 1
Co-Author(s): Thomas Mariotti, London School of Economics
and Stephane Villeneuve, University of Toulouse GREMAQ

14:00 - 16:00	MECHANISM DESIGN (ET) Chairperson: Robert Gary-Bobo, University of Cergy- Pontoise	Room F220
---------------	---	-----------

HONESTY-PROOF IMPLEMENTATION

Hitoshi Matsushima, University of Tokyo

IMPLEMENTATION BY DECENT MECHANISMS

Clara Ponsati, Universitat Autònoma de Barcelona

Co-Author(s): Copic Jernej, Caltech

OPTIMAL STATE-CONTINGENT REGULATION

Robert Gary-Bobo, University of Cergy-Pontoise

Co-Author(s): Yossi Spiegel, Faculty of Management, Tel Aviv University

14:00 - 16:00

CONTRIBUTED SESSIONS

ESEM: Econometrics and Empirical Economics

14:00 - 16:00

BOOTSTRAP METHODS (EC)

Room D7

Chairperson: Offer Lieberman, Technion-Israel
Institute of Technology

**BOOTSTRAPPING FOR GMM: A COMPARISON OF
ALTERNATIVE INFERENCE PROCEDURES**

Frank Windmeijer, Institute for Fiscal Studies

Co-Author(s): Steve Bond, University of Oxford

**REGRESSION ANALYSIS WITH MANY SPECIFICATIONS: A
BOOTSTRAP METHOD FOR ROBUST INFERENCE**

Peter Reinhard Hansen, Brown University

THE POWER OF BOOTSTRAP AND ASYMPTOTIC TESTS

James MacKinnon, Queen's University

Co-Author(s): Russell Davidson, McGill University

**HIGHER-ORDER IMPROVEMENTS OF THE PARAMETRIC
BOOTSTRAP FOR LONG-MEMORY GAUSSIAN
PROCESSES**

Offer Lieberman, Technion-Israel Institute of Technology

Co-Author(s): Donald Andrews, Yale University

14:00 - 16:00

**COINTEGRATION: ESTIMATION AND
APPLICATIONS (EC)**

Room F289

Chairperson: Gianluca Cubadda, Università del
Molise

**BANK LENDING AND PROPERTY PRICES: SOME
INTERNATIONAL EVIDENCE**

Boris Hofmann, ZEI, University of Bonn

CONSUMPTION AND POPULATION AGE STRUCTURE

Solveig Erlandsen, Norges Bank

Co-Author(s): Ragnar Nymoen, University of Oslo and Norges
Bank

**ESTIMATING COINTEGRATED DYNAMIC ADJUSTMENT
COST MODELS WITH RATIONAL EXPECTATIONS**

Luca Fanelli, Department of Statistics, University of Bologna

**SMALL SAMPLE IMPROVEMENTS IN THE STATISTICAL
ANALYSIS OF SEASONALLY COINTEGRATED SYSTEMS**

Gianluca Cubadda, Università del Molise
Co-Author(s): Pieter Omtzigt, University of Amsterdam,
Department of Quantitative Economics

14:00 - 16:00

ECONOMETRICS OF TREATMENT EFFECTS (EC)

Room F299

Chairperson: Jaap Abbring, Vrije Universiteit
Amsterdam

**USING MATCHING TO ESTIMATE TREATMENT EFFECTS:
DATA REQUIREMENTS, MATCHING METRICS AND AN
APPLICATION**

Zhong Zhao, Peking University

**CORRECTING FOR SAMPLE SELECTION BIAS:
ALTERNATIVE ESTIMATORS COMPARED**

Cheti Nicoletti, ISER, University of Essex

**SEMIPARAMETRIC BAYESIAN INFERENCE FOR COUNT
DATA TREATMENT MODELS**

Markus Jochmann, University of Konstanz

**A SIMPLE PROCEDURE FOR THE EVALUATION OF
TREATMENT EFFECTS ON DURATION VARIABLES**

Jaap Abbring, Vrije Universiteit Amsterdam
Co-Author(s): Gerard van den Berg, Vrije Universiteit
Amsterdam

14:00 - 16:00

EMPIRICAL INDUSTRIAL ORGANISATION I (EC)

Room F315

Chairperson: Frank Verboven, Katholieke
Universiteit Leuven

**INTERTEMPORAL PRICING AND PRICE DISCRIMINATION:
A SEMIPARAMETRIC ANALYSIS OF THE PERSONAL
COMPUTER MARKET**

Thanasis Stengos, University of Guelph
Co-Author(s): Eleftherios Zacharias, University of Cyprus

COMPETITION AND EFFICIENCY IN EUROPEAN AVIATION

Philippe Gagnepain, Dept of Economics, University Carlos III
Madrid
Co-Author(s): Pedro Marin, Dept of Economics, University
Carlos III Madrid

**INCENTIVE REGULATION, AUDIT, AND EFFICIENCY: AN
EMPIRICAL ANALYSIS OF WISCONSIN WATER UTILITIES**

Arnaud Reynaud, LEERNA-INRA, Toulouse University
Co-Author(s): Cecile Aubert, University of Cambridge

LIBERALIZING A DISTRIBUTION SYSTEM: THE EUROPEAN CAR MARKET

Frank Verboven, Katholieke Universiteit Leuven
Co-Author(s): Randy Brenkers, K.U.Leuven

14:00 - 16:00

EXCHANGE RATES: EMPIRICAL I (EC)

Room F389

Chairperson: Hamid Faruquee, International Monetary Fund

DO PRODUCTIVITY GROWTH APPRECIATE THE REAL EXCHANGE RATE?

Jaewoo Lee, IMF
Co-Author(s): Man-Keung Tang, Harvard University

AFFINE MODELS OF THE JOINT DYNAMICS OF EXCHANGE RATES AND INTEREST RATES

Bing Han, University of Calgary
Co-Author(s): Peter Hammond, Stanford University

EXCHANGE RATE PASS-THROUGH AND EXPECTATIONS: AN EMPIRICAL STUDY OF UK IMPORT PRICES

Ida Wolden Bache, Norges Bank (Central Bank of Norway)
Co-Author(s): Bjørn Erik Naug, Norges Bank

EXPLAINING THE EXCHANGE RATE PASS-THROUGH IN DIFFERENT PRICES

Hamid Faruquee, International Monetary Fund
Co-Author(s): Ehsan Choudhri, Carleton University and Dalia Hakura, International Monetary Fund

14:00 - 16:00

FINANCIAL ECONOMETRICS: THEORY I (EC)

Room F397

Chairperson: Federico Bandi, Graduate School of Business, University of Chicago

JUMPS IN RANK AND EXPECTED RETURNS. INTRODUCING VARYING CROSS-SECTIONAL RISK.

Gloria Gonzalez-Rivera, University of California, Riverside
Co-Author(s): Tae-Hwy Lee, University of California, Riverside and Santosh Mishra, University of California, Riverside

EXPLICIT MOMENT CONDITIONS IN A JUMP-DIFFUSION MODEL WITH LATENT JUMP INTENSITY

Mark-Jan Boes, Tilburg University
Co-Author(s): Feike C. Drost, Tilburg University and Bas J.M. Werker, Tilburg University

NEWS ARRIVAL, JUMP DYNAMICS AND VOLATILITY COMPONENTS FOR INDIVIDUAL STOCK RETURNS

John Maheu, University of Toronto
Co-Author(s): Thomas McCurdy, University of Toronto

ON THE FUNCTIONAL ESTIMATION OF MULTIVARIATE DIFFUSION PROCESSES

Federico Bandi, Graduate School of Business. University of Chicago
Co-Author(s): Guillermo Moloche, MIT

14:00 - 16:00	INTRAHOUSEHOLD ALLOCATION (EC) Chairperson: Pierre Dubois, University of Toulouse (INRA, IDEI)	Room F413
---------------	---	-----------

**TIME ALLOCATION WITHIN THE FAMILY: WELFARE
IMPLICATIONS OF LIFE IN A COUPLE**
Helene Couprie, GREQAM, Université de la Méditerranée

**NONPARAMETRIC ANALYSIS OF HOUSEHOLD LABOUR
SUPPLY: GOODNESS-OF-FIT AND POWER OF THE
UNITARY AND THE COLLECTIVE MODEL**
Frederic Vermeulen, Center for Economic Studies, University of
Leuven
Co-Author(s): Laurens Cherchye, University of Leuven Campus
Kortrijk

**EFFICIENCY WAGES FOR ROTTEN KIDS:
INTRAHOUSEHOLD CONSUMPTION AND NUTRITION IN
THE PHILIPPINES**
Pierre Dubois, University of Toulouse (INRA, IDEI)

14:00 - 16:00	MIGRATION (EC) Chairperson: Michael Rosholm, Dept. of Economics, University of Aarhus	Room F420
---------------	--	-----------

**ECONOMIC ASSIMILATION AND RETURN MIGRATION OF
IMMIGRANTS IN WEST-GERMANY**
Charles Bellemare, Tilburg University

**THE PUZZLE OF RISING REGIONAL DISPARITIES AND
FALLING MIGRATION RATES DURING TRANSITION**
Jan Fidrmuc, ECARES, Université Libre de Bruxelles; ZEI,
Universität Bonn, and CEPR
Co-Author(s): Peter Huber, Österreichisches Institut für
Wirtschaftsforschung (WIFO)

APARTHEID AND MOTIVATIONS OF MIGRANT WORKERS
Hideo Akabayashi, Faculty of Economics, Keio University
Co-Author(s): Keita Suga, University of Chicago

**EMPLOYMENT EFFECTS OF DISPERSAL POLICIES FOR
REFUGEE IMMIGRANTS**
Michael Rosholm, Dept. of Economics, University of Aarhus
Co-Author(s): Anna Piil Damm, Aarhus School of Business

14:00 - 16:00

CONTRIBUTED SESSIONS
EEA

14:00 - 16:00

INDUSTRIAL ORGANISATION II (EEA)

Room A5137

Chairperson: Felipe Zurita, Pontificia Universidad Catolica de Chile

TECHNOLOGY TRANSFER AND SPILLOVERS IN INTERNATIONAL JOINT VENTURES

Thomas Müller, University of Munich

Co-Author(s): Monika Schnitzer, University of Munich and CEPR

INTERNATIONAL TELECOMMUNICATIONS PRICING: DOES A SCOPE FOR REFORM EXIST?

Simona Fabrizi, University of Toulouse, University of Bologna and University of Mannheim

DOES PEER-TO-PEER HARM COPYRIGHT OWNERS? PROTECTING AND DISTRIBUTING DIGITAL PRODUCTS

Anne Duchene, CERAS-ENPC

Co-Author(s): Patrick Waelbroeck, ECARES

LIQUIDITY AND THE SIMPLE IO OF STOCK EXCHANGES

Felipe Zurita, Pontificia Universidad Catolica de Chile

Co-Author(s): Alexander Galetovic, Universidad de Chile

14:00 - 16:00

PUBLIC FINANCE I (EEA)

Room C497

Chairperson: Oliver Lorz, University of Kiel

THE BAILOUT PROBLEM: AN EMPIRICAL APPROACH

Matz Dahlberg, Uppsala University

Co-Author(s): Per Pettersson-Lidbom, Department of Economics, Stockholm University

SELFISH GOVERNMENT AND GROWTH: OPTIMAL PUBLIC POLICY IN THE CASE OF CONGESTED PUBLIC INPUTS

Ingrid Ott, University of Lueneburg

FINANCING INFRASTRUCTURE UNDER BUDGET CONSTRAINT

Axel Gautier, CEREC, FUSL and CORE

Co-Author(s): Manipushpak Mitra, Indian Statistical Institute, Calcutta

UNEMPLOYMENT, SOCIAL TRANSFERS, AND INTERNATIONAL CAPITAL MOBILITY

Oliver Lorz, University of Kiel

14:00 - 16:00	GROWTH AND INSTITUTIONS (EEA) Chairperson: Carlo Devillanova, Università Bocconi	Room D207
---------------	--	-----------

INSTITUTIONS AND THE RESOURCE CURSE

Kalle Moene, University of Oslo

Co-Author(s): Halvor Mehlum, University of Oslo and Ragnar Torvik, Norwegian University of Science and Technology

**LEGAL ENVIRONMENT AND INDUSTRY GROWTH:
INTERNATIONAL EVIDENCE FROM PANEL DATA 1**

Natalia Utrero, CSEF, Università di Salerno

REGIMES OF GROWTH AND ECONOMIC INTEGRATION

Georgiy Trofimov, Institute for Financial Studies

**CAPITAL-SKILL COMPLEMENTARITY AND THE
REDISTRIBUTIVE EFFECTS OF SOCIAL SECURITY
REFORM**

Carlo Devillanova, Università Bocconi

Co-Author(s): Alessandra Casarico, Università Bocconi

14:00 - 16:00	ASSET MARKETS: EMPIRICAL EVIDENCE (EEA) Chairperson: Michael Schroeder, Zentrum fuer Europäische Wirtschaftsforschung (ZEW) Mannheim	Room D220
---------------	--	-----------

**INSIDER TRADING AND CORPORATE CONTROL:
EVIDENCE FROM THE U.K.**

Jana P. Fidrmuc, Tilburg University

Co-Author(s): Luc Renneboog, Tilburg University

**TRANSPARENCY AND INTERNATIONAL INVESTOR
BEHAVIOR**

Gaston Gelos, International Monetary Fund

Co-Author(s): Shang-Jin Wei, International Monetary Fund

**ASYMMETRY OF INFORMATION, MARKET LIQUIDITY AND
THE ACTIVITY OF THE SPECIALIST ON THE NYSE**

Thierry Kamionka, CNRS and CREST

**SYSTEMIC RISK IN EUROPEAN BANKING - EVIDENCE
FROM BIVARIATE GARCH MODELS**

Martin Schueler, ZEW Mannheim

Co-Author(s): Michael Schroeder, Zentrum fuer Europäische
Wirtschaftsforschung (ZEW) Mannheim

14:00 - 16:00	CONTRACTS (EEA) Chairperson: Yannick Gabuthy, GATE UMR 5824 CNRS, University Lyon 2	Room D299
---------------	--	-----------

SHOULD WE WRITE PRE-NUPTIAL CONTRACTS?

Helmut Rainer, Department of Economics, University of Essex

EQUILIBRIUM INCENTIVE CONTRACTS

Åsa Rosén, SOFI, Stockholm University
Co-Author(s): Espen Moen, Norwegian School of Management

INEQUITY AVERSION AND TEAM INCENTIVES

Pedro Rey Biel, University College London

ARBITRATION AND INVESTMENT INCENTIVES

Yannick Gabuthy, GATE UMR 5824 CNRS, University Lyon 2
Co-Author(s): Abhinay Muthoo, University of Essex

14:00 - 16:00

DEMOGRAPHY AND ECONOMICS (EEA)

Room D307

Chairperson: Thomas Lindh, Uppsala university

A DYNAMIC MODEL OF CULTURAL ASSIMILATION

Istvan Konya, Boston College

GREEN NATIONAL ACCOUNTING WITH A CHANGING POPULATION

Geir B. Asheim, Department of Economics, University of Oslo

PENSIONS AND FERTILITY INCENTIVES

Volker Meier, CESifo Munich
Co-Author(s): Robert Fenge, CESifo Munich

DEMOGRAPHY AND HOUSING DEMAND – WHAT CAN WE LEARN FROM RESIDENTIAL CONSTRUCTION DATA?

Thomas Lindh, Uppsala University
Co-Author(s): Bo Malmberg, Uppsala University

14:00 - 16:00

DEVELOPMENT MICROECONOMICS (EEA)

Room D315

Chairperson: Alessandro Tarozzi, Duke University

HOUSEHOLD COPING CHOICES AND THE DETERMINANTS OF INCOME AND CONSUMPTION IN POST-WAR RURAL MOZAMBIQUE

Tilman Brück, German Institute for Economic Research

IMPACT OF HIV/AIDS ON SAVING BEHAVIOUR IN SOUTH AFRICA

Sandra Freire, TEAM CNRS University of Paris 1

WHAT CAN EX-PARTICIPANTS REVEAL ABOUT A PROGRAM'S IMPACT?

Emanuela Galasso, World Bank
Co-Author(s): Martin Ravallion, World Bank

THE INDIAN PUBLIC DISTRIBUTION SYSTEM AS PROVIDER OF FOOD SECURITY: EVIDENCE FROM CHILD NUTRITION IN ANDHRA PRADESH

Alessandro Tarozzi, Duke University

14:00 - 16:00	GAME EXPERIMENTS (EEA) Chairperson: Claude Meidinger, TEAM, University Paris I Pantheon-Sorbonne	Room D320
---------------	---	-----------

STATED BELIEFS AND PLAY IN NORMAL FORM GAMES

Georg Weizsacker, Harvard University, Dept. of Economics, and
 Harvard Business School

Co-Author(s): Miguel Costa-Gomes, University of York, UK

ON REPRESENTATIVE TRUST

Kröger Sabine, Humboldt University Berlin

Co-Author(s): Charles Bellemare, Tilburg University

RATIONAL INVESTOR SENTIMENT

Anke Gerber, University of Zurich

Co-Author(s): Thorsten Hens, University of Zurich and Bodo

Vogt, University Bielefeld

LEARNING IN THE TRUST GAME: SOME EXPERIMENTAL RESULTS

Claude Meidinger, TEAM, University Paris I Pantheon-Sorbonne

Co-Author(s): Antoine Terracol, TEAM, University Paris I

Pantheon Sorbonne

14:00 - 16:00	LABOUR MARKETS - INSTITUTIONS AND PERFORMANCE (EEA) Chairperson: Miriam Beblo, Zentrum für Europäische Wirtschaftsforschung	Room D397
---------------	--	-----------

LABOR MOBILITY AND INCOME TAX COMPETITION

Gwenaël Piaser, CORE, Université Catholique de Louvain

DO WE NEED MORE STRINGER EMPLOYMENT PROTECTION LEGISLATIONS ?

Gregory Jolivet, CREST-LMI

Co-Author(s): Pierre Cahuc, Université de Paris I

LABOUR MARKET PERFORMANCE AND START-UP COSTS: OECD EVIDENCE

Paloma Lopez-Garcia, London School of Economics

GENDER, WORK, AND LEISURE

Miriam Beblo, Zentrum für Europäische Wirtschaftsforschung

Co-Author(s): Julio R. Robledo, University of Vienna

14:00 - 16:00	TRADE AND GLOBALIZATION (EEA) Chairperson: Miklós Koren, Harvard University	Room B3
---------------	---	---------

A THEORY OF GLOBALIZATION

Paul Segerstrom, Stockholm School of Economics

Co-Author(s): Elias Dinopoulos, University of Florida

PARETO OPTIMAL DELEGATION IN CUSTOMS UNIONS

Alan Woodland, University of Sydney
Co-Author(s): Mark Melatos, University of Sydney

ON THE WELFARE EFFECTS OF TRADE AND INVESTMENT LIBERALIZATION

Mario Larch, University Innsbruck
Co-Author(s): Peter Egger, University of Innsbruck and Michael Pfaffermayr, University of Innsbruck

FINANCIAL GLOBALIZATION AND THE PATTERN OF INTERNATIONAL TRADE: AN INCOMPLETE MARKETS APPROACH

Miklós Koren, Harvard University

14:00 - 16:00

PREFERENCES II (EEA)

Chairperson: Liang Zou, University of Amsterdam

Room E397

DISCOUNTING

Julian Jamison, MEDS, Northwestern University
Co-Author(s): Dean Jamison, UCLA and NIH

THE PROFILE OF A WARM-GLOWER: A NOTE ON CONSUMER'S BEHAVIOR AND PUBLIC POLICY IMPLICATIONS

Laura Onofri, Catholic University Leuven and University of Bologna
Co-Author(s): Paulo A.L.D. Nunes, FEEM

PROPOSING A COMPOUND UTILITY APPROACH TO DECISION MAKING UNDER RISK

Liang Zou, University of Amsterdam

14:00 - 16:00

INTERNATIONAL TRADE - EMPIRICAL EVIDENCE (EEA)

Chairperson: Marco Maffezzoli, Università Bocconi

Room F3154

RECONCILING THE EVIDENCE ON THE KNOWLEDGE CAPITAL MODEL

Pehr-Johan Norbäck, Research Institute of Industrial Economics
Co-Author(s): Henrik Braconier, National Institute of Economic Research and Dieter Urban, Johannes Gutenberg University of Mainz

MULTINATIONALS, FOREIGN OWNERSHIP AND US PRODUCTIVITY LEADERSHIP: EVIDENCE FROM THE UK

Chiara Criscuolo, University College London and Ceriba
Co-Author(s): Ralf Martin, London School of Economics and CEP and CeRiBA

ARE TRADE DEFICITS IN THE BALTIC STATES SUSTAINABLE?

Rudolfs Bems, Stockholm School of Economics
Co-Author(s): Kristian Jönsson, Stockholm School of Economics

THE GROWTH OF WORLD TRADE

Marco Maffezzoli, Università Bocconi

Co-Author(s): Alejandro Cuñat, LSE and CEPR

14:00 - 16:00

FINANCIAL MARKETS I (EEA)

Chairperson: Massimo Guidolin, University of Virginia

Room F487

SOME PROPERTIES OF PERIODICALLY COLLAPSING BUBBLES

Gawon Yoon, Pusan National University

INFORMATION ACQUISITION, STRATEGIC LIQUIDITY TRADING, AND MARKET EFFICIENCY

Tri Vi Dang, University of Mannheim

HIGH EQUITY PREMIA AND CRASH FEARS. RATIONAL FOUNDATIONS.

Massimo Guidolin, University of Virginia

STAGING OF VENTURE FINANCING, MORAL HAZARD, AND PATENT LAW

Jochen Bigus, University of Hamburg, Institute of Law and Economics

14:00 - 16:00

MONETARY POLICY II (EEA)

Chairperson: Tor Einarsson, University of Iceland

Room B5

FEEDBACK RULES AND TIME-CONSISTENT POLICYMAKING IN NON-RICARDIAN WORLD

Tatiana Kirsanova, University of Exeter

Co-Author(s): Andrew Blake, CCBS, Bank of England

CREDIBILITY OF INFLATION TARGETS IN POLAND

Wojciech Maliszewski, International Monetary Fund

TEMPORARY AND PERMANENT LIQUIDITY EFFECTS IN THE EURO AREA

Julius Moschitz, Universitat Autònoma de Barcelona

BANK INTERMEDIATION AND PERSISTENT LIQUIDITY EFFECTS IN THE PRESENCE OF A FRICTIONLESS BOND MARKET

Tor Einarsson, University of Iceland

14:00 - 16:00	LABOUR MARKETS - MATCHING II (EEA) Chairperson: Samuel Danthine, University of Rochester	Room D9
---------------	--	---------

IN THE RIGHT PLACE AT THE WRONG TIME: THE ROLE OF FIRMS AND LUCK IN YOUNG WORKERS' CAREERS

Till von Wachter, UC Berkeley

Co-Author(s): Stefan Bender, Institut für Arbeitsmarkts- und Berufsforschung

A MATCHING MODEL OF CREATIVE DESTRUCTION WITH IDIOSYNCRATIC SHOCKS OF PRODUCTIVITY.

Julien Prat, European University Institute

Co-Author(s): Julien Prat, European University Institute

EQUILIBRIUM UNEMPLOYMENT, JOB FLOWS AND INFLATION DYNAMICS

Antonella Trigari, New York University

TWO-SIDED SEARCH, HETEROGENEITY AND LABOR MARKET PERFORMANCE

Samuel Danthine, University of Rochester

14:00 - 16:00	R&D AND INNOVATIONS (EEA) Chairperson: Benoit Mulkay, INSEE - Midi-Pyrénées	Room D8
---------------	---	---------

DOES THE MARKET VALUE R&D INVESTMENT BY EUROPEAN FIRMS? EVIDENCE FROM A PANEL OF MANUFACTURING FIRMS IN FRANCE, GERMANY, AND ITALY

Raffaele Oriani, University of Bologna

Co-Author(s): Bronwyn H. Hall, UC Berkeley, NBER, and IFS

R&D: FINANCIAL CONSTRAINTS AND THE ROLE OF PUBLIC FUNDING IN SMALL AND MEDIUM-SIZED ENTERPRISES

Dirk Czarnitzki, ZEW Mannheim

LOCATION OF R&D AND HIGH-TECH PRODUCTION BY VERTICALLY INTEGRATED MULTINATIONALS

Karolina Ekholm, Stockholm School of Economics

Co-Author(s): Katariina Hakkala, Stockholm School of Economics

THE EFFECT OF THE R&D TAX CREDIT IN FRANCE

Benoit Mulkay, INSEE - Midi-Pyrénées

Co-Author(s): Jacques Mairesse, CREST - ENSAE

16:00 - 16:30

REFRESHMENTS

16:30 - 18:00

EEA PRESIDENTIAL ADDRESS

Room Aula Magna

Chairperson: Peter Neary, University College Dublin

CONSEQUENCES OF CONSTITUTIONS

Torsten Persson, Stockholm University

YOUNG ECONOMIST AWARD

18:00 - 19:00

**OFFICIAL LAUNCH OF JEEA –
EEA's NEW JOURNAL**

Room Aula Magna

EEA GENERAL ASSEMBLY

THURSDAY 21ST AUGUST 2003

09:00 – 10:30

INVITED SESSIONS

ESEM: Theoretical and Applied Economics

09:00 – 10:30

**INVITED SESSION IN THEORETICAL AND
APPLIED ECONOMICS I (ET)**

Room C6

Chairperson: Gerard van der Laan, Free University
Amsterdam

**GAMES OF STRATEGIC COMPLEMENTARITIES: NEW
APPLICATIONS**

Xavier Vives, INSEAD
Discussant(s): Patrick Bolton, Princeton University

09:00 – 10:30

INVITED SESSIONS

ESEM: Econometrics and Empirical Economics

09:00 – 10:30

**INVITED SESSION IN ECONOMETRICS AND
EMPIRICAL ECONOMICS I (EC)**

Room E10

Chairperson: René Garcia, Université de Montréal

**HOW OFTEN TO SAMPLE A CONTINUOUS-TIME PROCESS
IN THE PRESENCE OF MARKET MICROSTRUCTURE NOISE**

Yacine Ait-Sahalia, Princeton University
Discussant(s): Jean-Pierre Florens, University of Toulouse
Co-Author(s): Per A. Mykland, University of Chicago

09:00 – 10:30

INVITED SESSIONS

EEA

09:00 – 10:30

OPTIMAL MONETARY POLICY (EEA)

Room B4

Chairperson: Isabel Correia, Banco de Portugal,
DEE

**WELFARE EFFECTS OF A MONETARY UNION: THE ROLE
OF TRADE OPENNESS**

Robert Kollman, University of Bonn

**THE MONETARY TRANSITION MECHANISM: IS IT
RELEVANT FOR POLICY?**

Isabel Correia, Banco de Portugal, DEE
Co-Author(s): Bernadin Adão, Bank of Portugal and Pedro
Teles, Federal Reserve Bank of Chicago

NONTRADABLE INVESTMENT AND THE DYNAMICS OF A SMALL OPEN ECONOMY

Joao Cesar de las Neves, Bank of Portugal
Co-Author(s): Ariel Burstein, University of Michigan and Sergio Rebelo, Kellogg Business School - Northwestern University

09:00 – 10:30

EVALUATION OF EDUCATION POLICY INTERVENTIONS (EEA)

Room D8

Chairperson: Costas Meghir, UCL

THE IMPACT OF SCHOOL ACCOUNTABILITY ON THE LEVEL AND DISTRIBUTION OF STUDENT PERFORMANCE

Eric Hanushek, Hoover Institution, Stanford University
Co-Author(s): Margaret Raymond, Hoover Institution

PAYING FOR PERFORMANCE: THE EFFECT OF TEACHERS EFFORT AND STUDENTS SCHOLASTIC OUTCOMES

Victor Lavy, Hebrew University of Jerusalem

EDUCATION IN CITIES: EVALUATION OF AN EDUCATION POLICY IN DISADVANTAGED AREAS

Steve Machin, University College London
Co-Author(s): Costas Meghir, UCL and Sandra McNally, CEP - LSE

09:00 – 10:30

AUCTIONS (EEA)

Room F11

Chairperson: Philippe Jehiel, University College London

AUCTIONING MANY DIVISIBLE GOODS

Lawrence Ausubel, University of Maryland
Co-Author(s): Peter Cramton, University of Maryland

ASCENDING AUCTIONS; THE WAIT AND SEE STRATEGY

Olivier Compte, CERAS
Co-Author(s): Philippe Jehiel, University College London

BIDDERS CHOICE AUCTION

Jacob Goeree, University of Amsterdam
Co-Author(s): Charles R. Plott and J Wooders

DESIGNING AN EFFICIENT PRIVATE INDUSTRY

Philippe Jehiel, University College London
Co-Author(s): Benny Moldovanu, Bonn University

09:00 – 10:30	RECENT RESEARCH ON THE EURO AND SWEDEN'S DECISION (EEA) Chairperson: Richard Portes, London Business School Organizer: Richard Baldwin, Graduate Institute of International Studies	Room A2
---------------	--	---------

RECENT RESEARCH ON THE EURO AND SWEDEN'S DECISION
Lorenzo Codogno, Bank of America, London, Nils Gottfries, Uppsala University, Philip Lane, Trinity College Dublin and Alejandro Micco, Inter-American Development Bank

10:30 - 12:30	EEA POSTER SESSION 2
---------------	-----------------------------

10:30 - 12:30	GENDER DIFFERENCES AND GENDER DISCRIMINATION (EEA) Organizer: Juan José Dolado, Universidad Carlos III de Madrid	Poster Area P1
---------------	--	----------------

GENDER SEGREGATION AND WAGE GAPS IN GERMANY: WHEN ARE 'FEMALE' OCCUPATIONS PAYING MORE?
Stepan Jurajda, CERGE-EI
Co-Author(s): Heike Harmgart, Humboldt Universitat zu Berlin and UCL

HIRING DISCRIMINATION IN THE FRENCH FINANCIAL SECTOR: A PAIR AUDIT STUDY
Pascale Petit, EUREQua, University of Paris 1

THE GENDER WAGE GAP AND SEX SEGREGATION IN FINLAND
Tomi Kyrrä, Government Institute for Economic Research
Co-Author(s): Ossi Korkeamäki, Government Institute for Economic Research

ARE WOMEN ASKING FOR LOW WAGES? - GENDER WAGE DIFFERENTIALS AND INDIVIDUAL WAGE BARGAINING
Jenny Säve-Söderbergh, Swedish Institute for Social Research, Stockholm University

10:30 - 12:30	FOREIGN AID AND GROWTH (EEA) Organizer: Jonathan Temple, University of Bristol	Poster Area P2
---------------	--	----------------

**AID, GOVERNANCE, AND PRIVATE FOREIGN INVESTMENT:
SOME PUZZLING FINDINGS AND A POSSIBLE
EXPLANATION**

Philipp Harms, Study Center Gerzensee and University of
Konstanz

Co-Author(s): Matthias Lutz, University of St. Gallen

**IS THERE A CASE FOR STERILIZING FOREIGN AID
INFLOWS**

Thierry Tresselt, International Monetary Fund

Co-Author(s): Alessandro Prati, IMF and Ratna Sahay, IMF

**FOREIGN AID DESIGNED TO DIMINISH TERRORIST
ATROCITIES CAN INCREASE THEM**

Michael Mandler, Royal Holloway College, University of London

Co-Author(s): Michael Spagat, Royal Holloway, University of
London

10:30 - 12:30	ADVANCES IN THE ANALYSIS OF MONEY DEMAND (EEA) Organizer: Volker Wieland, Johann Wolfgang Goethe Universität	Poster Area: P3
---------------	---	-----------------

**A SIMPLE THEORY OF INSIDE MONEY: THE CAUSES AND
CONSEQUENCES OF DE-MONETIZATION**

Xavier Ragot, DELTA

A META-ANALYSIS OF MONEY DEMAND

Markus Knell, Oesterreichische Nationalbank

Co-Author(s): Helmut Stix, Oesterreichische Nationalbank

**MONEY DEMAND DURING HYPERINFLATION AND
STABILIZATION: BULGARIA, 1991-2000**

Stefka Slavova, World Bank and London School of Economics

**FINANCIAL MARKET PARTICIPATION, WEALTH, AND THE
EXTENSIVE MARGINS OF MONEY DEMAND**

Samuel Reynard, Swiss National Bank

10:30 - 12:30	PENSION REFORMS (EEA)	Poster Area P4
---------------	------------------------------	----------------

**LABOR INCOME RISK, DEMOGRAPHIC RISK, AND THE
DESIGN OF (WAGE-INDEXED) SOCIAL SECURITY**

Christoph Borgmann, Department of Public Finance, University
of Freiburg i. Brsg

WELFARE EFFECTS OF ALTERNATIVE PENSION REFORMS: ASSESSING THE TRANSITION COSTS FOR FRENCH SOCIO-OCCUPATIONAL GROUPS

Thomas Weitzenblum, EURISCO, University Paris IX and CEPREMAP

Co-Author(s): Pierre-Yves Henin, EUREQua, University Paris I and CEPREMAP

10:30 - 12:30

MATCHING AND SEARCH (EEA)

Poster Area P5

FIRING COSTS AND UNEMPLOYMENT: CONSIDERING BANKRUPTCY IN A MATCHING MODEL

Francesco Belviso, Princeton University

NEW EVIDENCE ON THE EFFECTS OF JOB CREATION SCHEMES IN GERMANY - A MATCHING APPROACH WITH THREEFOLD HETEROGENEITY

Marco Caliendo, J.W.Goethe University of Frankfurt

Co-Author(s): Reinhard Hujer, J.W.Goethe-University of Frankfurt and IZA, Bonn and Lothar Thomsen, Johann Wolfgang Goethe-University of Frankfurt

MATCHING SKILL IN TRANSITION

Daniel Munich, CERGE-EI, Prague

Co-Author(s): Stepan Jurajda, CERGE-EI

SEARCH INTENSITY, COST OF LIVING AND LOCAL LABOR MARKETS IN BRITAIN

Eleonora Patacchini, University of Southampton

Co-Author(s): Yves Zenou, University of Southampton

10:30 - 12:30

INDUSTRIAL ORGANIZATION - EMPIRICAL CONTRIBUTIONS (EEA)

Poster Area P6

THE MARKET OF LAUNCHING VEHICLES FOR TELECOMMUNICATION SATELLITES

Frédérique Fève, University of Toulouse (Gremaq and IDEI)

Co-Author(s): Jacques Cremer, University of Toulouse (Gremaq and IDEI) and Jean-Pierre Florens, University of Toulouse (IUF, Gremaq and IDEI)

IS THE BEHAVIOR OF GERMAN VENTURE CAPITALISTS STRANGE? EVIDENCE FROM THE NEUER MARKT

Tereza Tykvová, ZEW

EFFECTS OF AIRLINE ALLIANCES ON FARES ON THE TRANSATLANTIC MARKET: SOME EMPIRICAL EVIDENCE

Volodymyr Bilotkach, University of Arizona, Department of Economics

10:30 - 12:30	GROWTH AND MULTIPLE EQUILIBRIA (EEA)	Poster Area P7
---------------	---	----------------

**AMBIGUITY IN MACROECONOMICS: THE IMPLICATIONS
FOR THE "BIG PUSH" AND MULTIPLIER**

Wei Pang, University of Birmingham

Co-Author(s): David Kelsey, University of Birmingham

**INFORMATION, COORDINATION, AND THE
INDUSTRIALISATION OF COUNTRIES**

Florian Englmaier, University College London

Co-Author(s): Markus Reisinger, University of Munich

**ON THE DEFINITION AND EXISTENCE OF AN EQUILIBRIUM
IN A FINANCIAL MARKET WITH CASE-BASED DECISION
MAKERS**

Ani Guerdjikova, Alfred Weber Institute, University of Heidelberg

**INDUCED TECHNOLOGICAL CHANGE UNDER
TECHNOLOGY COMPETITION**

Reyer Gerlagh, Institute for Environmental Studies, Vrije

Universiteit, Amsterdam

10:30 - 11:00	REFRESHMENTS
---------------	---------------------

11:00 - 12:30	CONTRIBUTED SESSIONS ESEM: Theoretical and Applied Economics
---------------	--

11:00 - 12:30	INDUSTRIAL ORGANISATION II (ET)	Room E306
---------------	--	-----------

GLOBAL VS. LOCAL COMPETITION

Konrad Stahl, University of Mannheim

Co-Author(s): Patrick Legros, Université Libre de Bruxelles

THE DARK SIDE OF COMPETITIVE PRESSURE

Ingmar Nyman, Hunter College, CUNY

Co-Author(s): Jason Cummins, Federal Reserve Board

COMMON AND SEPARATE OWNERSHIP OF PROJECTS

Axel Gautier, CEREC, FUSL and CORE

**OPTIMAL PUBLIC POLICY FOR VENTURE CAPITAL
BACKED INNOVATION**

Christian Keuschnigg, University of St. Gallen

11:00 - 12:30	EVOLUTION AND LEARNING II (ET)	Room E319
---------------	---------------------------------------	-----------

**RELATIVE PAYOFFS AND EVOLUTIONARY SPITE –
EVOLUTIONARY EQUILIBRIA IN GAMES WITH FINITELY
MANY PLAYERS**

Thursday 10:30 – 12:30 + 11:00 – 12:30

Thomas Riechmann, University of Magdeburg

**SELECTING SIMPLE RULES FOR REPEATED DECISION
MAKING USING MINIMAX REGRET AND WORST CASE
PRIORS**

Karl Schlag, European University Institute

**STICK OR CARROT? GROUP SELECTION AND THE
EVOLUTION OF RECIPROCAL PREFERENCES**

Florian Herold, University of Munich

11:00 - 12:30	GAME THEORY II (ET) Chairperson: Marco Ottaviani, London Business School	Room E413
---------------	--	-----------

EMERGENCE OF LEADERSHIP IN TEAMS

Hideo Suehiro, Kobe University, Japan

Co-Author(s): Hajime Kobayashi, Osaka Prefecture University, Japan

INFORMATION, DIVERSITY AND EXTERNAL CONCERNS

Ramon Xifré i Oliva, Universidad Carlos III de Madrid

NON FULLY STRATEGIC INFORMATION TRANSMISSION

Marco Ottaviani, London Business School

11:00 - 12:30	INTERNATIONAL ECONOMICS I (ET) Chairperson: Alan Woodland, University of Sydney	Room E487
---------------	---	-----------

**A DEMOGRAPHIC EXPLANATION OF U.S. AND JAPANESE
CURRENT ACCOUNT BEHAVIOR**

Espen Henriksen, Carnegie Mellon University

**COURNOT-NASH COMPETITION IN A GENERAL
EQUILIBRIUM MODEL OF INTERNATIONAL TRADE**

Egbert Dierker, University of Vienna

Co-Author(s): Birgit Grodal, University of Copenhagen and Dierker Hildegard, University of Vienna

NON-PREFERENTIAL TRADING CLUBS

Alan Woodland, University of Sydney

Co-Author(s): Pascal Raimondos-Møller, Economic Policy Research Unit, University of Copenhagen

11:00 - 12:30	TAXATION II (ET) Chairperson: Thomas Renstrom, University of Durham	Room E497
---------------	---	-----------

**THE NORMATIVE ANALYSIS OF 'TAGGING' REVISITED:
DEALING WITH STIGMATIZATION**

Laurence Jacquet, IRES, UCL, Belgium

Co-Author(s): Bruno Van der Linden, Université Catholique de Louvain, Department of Economics

THE DYNAMIC COST OF THE DRAFT

Panu Poutvaara, Centre for Economic and Business Research
Co-Author(s): Morten Lau, Centre for Economic and Business Research and Andreas Wagener, University of Vienna

OPTIMAL DYNAMIC TAXATION WITH INDIVISIBLE LABOR

Thomas Renstrom, University of Durham
Co-Author(s): Parantap Basu, Fordham University

11:00 - 12:30 **CONTRACT THEORY II (ET)** Room F220

Chairperson: Ferdinand von Siemens, University of Munich

CONTRACTING WITH POOR AGENT - ABOUT CATTLE-DRIVING COWBOYS AND MODERN CAR DEALERS

Ulf Schiller, University of Bern
Co-Author(s): Sabine Boeckem, University of Dortmund

CONTRACTUAL SOLUTION TO THE HOLD-UP PROBLEM IN SUPPLY CHAIN

M'hand Fares, INRA-ESR and University of Paris (Panthéon-Sorbonne)

UNOBSERVABLE BARGAINING POWER, FAIRNESS AND THE HOLD-UP PROBLEM

Ferdinand von Siemens, University of Munich

11:00 - 12:30 **CORPORATE GOVERNANCE (ET)** Room F12

Chairperson: Antoine Renucci, ESC Toulouse

A THEORY OF FRIENDLY BOARDS

Renee Adams, Federal Reserve Bank of New York and Daniel Ferreira, Getulio Vargas Foundation, Graduate School of Economics

CEO COMPENSATION: WHEN ARE DIFFERENT CONTRACTUAL FORMS EQUIVALENT?

Chongwoo Choe, Australian Graduate School of Management

WHEN PROMOTIONS INDUCE GOOD MANAGERS TO BE LAZY

Antoine Renucci, ESC Toulouse
Co-Author(s): Frédéric Loss, Toulouse Business School

11:00 - 12:30 **FISCAL POLICY (ET)** Room F289

Chairperson: Marko Köthenbürger, CES, University of Munich

DEALING WITH UNEXPECTED SHOCKS TO THE BUDGET

Raffaella Giordano, Bank of Italy
Co-Author(s): Elena Gennari, Bank of Italy and Sandro Momigliano, Bank of Italy

DEBT RESTRUCTURING AND THE TIME-CONSISTENCY OF CAPITAL TAXES

Begoña Domínguez, Dep. of Economics, University of Auckland

ON THE BENEFITS OF (DE)CENTRALIZATION

Marko Köthenbürger, CES, University of Munich

11:00 - 12:30

CONTRIBUTED SESSIONS

ESEM: Econometrics and Empirical Economics

11:00 - 12:30

BUSINESS CYCLES: EMPIRICAL II (EC)

Room F299

Chairperson: Mathias Hoffmann, University of Dortmund

INTERNATIONAL BUSINESS CYCLE INDICATORS, MEASUREMENT AND FORECASTING

Ard den Reijer, De Nederlandsche Bank

COMMON SHOCKS, COMMON DYNAMICS, AND THE INTERNATIONAL BUSINESS CYCLE

Alain Hecq, University of Maastricht

Co-Author(s): Marco Centoni, Università del Molise and

Gianluca Cubadda, Università del Molise

HOME BIAS AND THE STRUCTURE OF INTERNATIONAL AND REGIONAL BUSINESS CYCLES

Mathias Hoffmann, University of Dortmund

Co-Author(s): Michael Artis, European University Institute and CEPR

11:00 - 12:30

COINTEGRATION: INFERENCE I (EC)

Room D7

Chairperson: Helmut Lütkepohl, European University Institute

A DIRECT TEST FOR COINTEGRATION IN VECTOR AUTOREGRESSIVE MODELS

Niklas J. C. Ahlgren, Swedish School of Economics

Co-Author(s): Jukka Nyblom, University of Joensuu

OPTIMAL POWER FOR TESTING POTENTIAL COINTEGRATING VECTORS WITH KNOWN PARAMETERS FOR NONSTATIONARITY

Elena Pesavento, Emory University

Co-Author(s): Elliott Graham, U.C San Diego and Michael Jansson, UC Berkeley

TESTING FOR THE COINTEGRATING RANK OF A VAR PROCESS WITH LEVEL SHIFT AT UNKNOWN TIME

Helmut Lütkepohl, European University Institute

Co-Author(s): Pentti Saikkonen, University of Helsinki and Carsten Trenkler, European University Institute

11:00 - 12:30	EMPIRICAL INTERNATIONAL TRADE (EC) Chairperson: Joao Santos Silva, Universidade Tecnica de Lisboa	Room F315
---------------	--	-----------

**TRADE AND HUMAN CAPITAL ACCUMULATION -
EVIDENCE FROM US IMMIGRANTS**

Dörte Dömeland, Universitat Pompeu Fabra

**WHAT HAPPENED TO ASIAN EXPORTS DURING THE
CRISIS?**

Antonio Spilimbergo, International Monetary Fund

Co-Author(s): Rupa Duttagupta, International Monetary Fund

GRAVITY-DEFYING TRADE

Joao Santos Silva, Universidade Tecnica de Lisboa

Co-Author(s): Silvana Tenreiro, Federal Reserve Bank of
Boston

11:00 - 12:30	FINANCIAL ECONOMETRICS: EMPIRICAL I (EC) Chairperson: Anthony Hall, University of Technology, Sydney	Room F389
---------------	---	-----------

**INTERPRETING IMPLIED RISK-NEUTRAL DENSITIES: THE
ROLE OF RISK PREMIA**

David Vestin, European Central Bank

Co-Author(s): Peter Hoerdahl, European Central Bank

**MODELING THE DISTRIBUTION OF FINANCIAL RETURNS
BY FUNCTIONAL DATA ANALYSIS**

Jonas Andersson, Department of Information Science, Uppsala
University

Co-Author(s): Paul Newbold, School of Economics, University of
Nottingham

**ESTIMATING THE INTENSITY OF BUY AND SELL ARRIVALS
IN A LIMIT ORDER BOOK MARKET**

Anthony Hall, University of Technology, Sydney

Co-Author(s): Nikolaus Hautsch, University of Konstanz

11:00 - 12:30	MONETARY POLICY TRANSMISSION II (EC) Chairperson: Øyvind Eitrheim, Norges Bank (Central Bank of Norway)	Room F397
---------------	--	-----------

**THE EFFECTS OF SYSTEMATIC MONETARY POLICY ON
SECTORS: A FACTOR MODEL APPROACH**

Jacopo Cimadomo, ECARES, Université Libre de Bruxelles

NONLINEARITY IN THE FED'S MONETARY POLICY RULE

Dong Heon Kim, School of Economic Studies, University of
Manchester

Co-Author(s): Denise R. Osborn, School of Economic Studies,
University of Manchester and Marianne Sensier, School of
Economic Studies, University of Manchester

**INTEREST RATE RULES IN A MACROECONOMETRIC
MODEL OF A SMALL OPEN ECONOMY**

Øyvind Eitrheim, Norges Bank (Central Bank of Norway)
Co-Author(s): Qaisar Farooq Akram, Norges Bank (Central Bank
of Norway), Gunnar Bårdsen, Department of Economics,
Norwegian University of Science and Technology and Eilev S.
Jansen, Norges Bank (Central Bank of Norway)

11:00 - 12:30

PERSONNEL ECONOMICS (EC)

Room F413

Chairperson: Wieland Mueller, Department of
Economics, Tilburg University

**PAY FOR PERFORMANCE? - PAYMENT STRATEGIES AT
THE TOP**

Harald Dale-Olsen, Institute for Social Research

**IN SUPPORT OF THE SUPPORTERS? DO SOCIAL FORCES
SHAPE DECISIONS OF THE IMPARTIAL?**

Thomas Dohmen, IZA

**WORKAHOLICS AND DROP OUTS IN OPTIMAL
ORGANIZATIONS**

Wieland Mueller, Department of Economics, Tilburg University
Co-Author(s): Andrew Schotter, New York University

11:00 - 12:30

PRODUCTIVITY: EMPIRICAL II (EC)

Room F420

Chairperson: George Symeonidis, University of
Essex

**FLEXIBLE WORKPLACE PRACTICES AND LABOR
PRODUCTIVITY**

Thomas Bauer, IZA

**INDIVIDUAL PRODUCTIVITY DIFFERENCES IN PUBLIC
RESEARCH: HOW IMPORTANT ARE NON-INDIVIDUAL
DETERMINANTS? AN ECONOMETRIC STUDY OF FRENCH
PHYSICISTS' PUBLICATIONS (1986-1997)**

Laure Turner, University Paris 1
Co-Author(s): Jacques Mairesse, CREST - ENSAE

**THE EFFECT OF COMPETITION ON WAGES AND
PRODUCTIVITY: EVIDENCE FROM THE UK**

George Symeonidis, University of Essex

11:00 - 12:30

SEMI- AND NON-PARAMETRIC METHODS II (EC)

Room F487

Chairperson: Anne Vanhems, ESC Toulouse

**ESTIMATION OF MODELS WITH ADDITIVE STRUCTURE VIA
LOCAL QUASI-DIFFERENCING**

Stefan Hoderlein, Mannheim Research Institute for the
Economics of Aging
Co-Author(s): Norbert Christopeit,

**SATURATION SPACES FOR REGULARIZATION METHODS
IN INVERSE PROBLEMS**

Anne Vanhems, ESC Toulouse

Co-Author(s): Jean-Michel Loubes, CNRS

11:00 - 12:30

UNEMPLOYMENT (EC)

Room D9

Chairperson: Alessandro Rossi, Joint Research
Centre of EC

**ML VS. GMM ESTIMATES OF HYBRID MACROECONOMIC
MODELS (WITH AN APPLICATION TO THE "NEW PHILLIPS
CURVE")**

Eric Jondeau, Banque de France and ERUDITE, Université
Paris 12 Val-de-Marne.

Co-Author(s): Hervé Le Bihan, Banque de France

**TIME-VARYING NAIRU AND REAL INTEREST RATES IN THE
EURO AREA**

Camille Logeay, Deutsches Institut für Wirtschaftsforschung,
Berlin (DIW)

Co-Author(s): Silke Tober, German Institut for Economic
Research (DIW-Berlin)

**HOW MUCH HAS LABOUR TAXATION CONTRIBUTED TO
EUROPEAN STRUCTURAL UNEMPLOYMENT?**

Alessandro Rossi, Joint Research Centre of EC

Co-Author(s): Christophe Planas, Joint Research Centre of EC
and Werner Roeger, European Commission, DG ECFIN

11:00 - 12:30

**CONTRIBUTED SESSIONS
EEA**

11:00 - 12:30

POLITICAL ECONOMY I (EEA)

Room A5137

Chairperson: Ascension Andina-Díaz, Universidad
de Alicante

**THE EXTENDED COASEAN APPROACH TO ECONOMIC
POLICY**

Alberto Chilosì, University of Pisa, Italy

PUBLIC OPINION AND THE DYNAMICS OF REFORM

Sanjay Jain, University of Virginia

Co-Author(s): Sharun W. Mukand, Tufts University

**THE MEDIAN VOTER DIDN'T SHOW UP: REPRESENTATIVE
DEMOCRACY AND PUBLIC EMPLOYEES' WAGES**

Albert Saiz, Federal Reserve Bank of Philadelphia

**ASYMMETRIC INFORMATION AND ELECTORAL
CAMPAIGNS: THE ROLE OF MEDIA**

Ascension Andina-Diaz, Universidad de Alicante

11:00 - 12:30

**INDUSTRIAL ORGANIZATION: EMPIRICAL
CONTRIBUTIONS (EEA)**

Room C497

Chairperson: Maria Letizia Giorgetti, University of
Milan

**HOW DOES THE MARKET VALUE OWNERSHIP
CONCENTRATION?**

Rim Zaabar, GREMAQ

**ESTIMATING VERTICAL FORECLOSURE IN U.S. GASOLINE
SUPPLY**

Stefan Buehler, University of Zurich

Co-Author(s): Zava Aydemir, University of Zurich

**A STRUCTURAL EMPIRICAL MODEL OF FIRM GROWTH,
LEARNING, AND SURVIVAL**

Jaap Abbring, Vrije Universiteit Amsterdam

Co-Author(s): Jeffrey Campbell, Federal Reserve Bank of
Chicago

**CONCENTRATION AND SCOPE ECONOMIES IN THE
PHARMACEUTICAL SECTOR**

Maria Letizia Giorgetti, University of Milan

11:00 - 12:30

INTERNATIONAL FINANCE 1 (EEA)

Room D207

Chairperson: Nienke Oomes, International Monetary
Fund

INTER-STATE COMPETITION FOR FDI

Osiris Parcero, University of Bristol

THE FELDSTEIN-HORIOKA FACT

Michele Lenza, Ecares, Université Libre de Bruxelles

Co-Author(s): Domenico Giannone, Ecares, Université Libre de
Bruxelles

**EMERGING ECONOMIES ACCESS TO GLOBAL CAPITAL
MARKETS: CREDIT RATIONING OR MORAL HAZARD?**

Edda Zoli, International Monetary Fund

**NETWORK EXTERNALITIES AND DOLLARIZATION
HYSTERESIS: THE CASE OF RUSSIA**

Nienke Oomes, International Monetary Fund

11:00 - 12:30	MONETARY POLICY III (EEA) Chairperson: Alessandro Prati, International Monetary Fund	Room D220
---------------	--	-----------

THE ZERO-INTEREST-RATE BOUND AND THE ROLE OF THE EXCHANGE RATE FOR MONETARY POLICY IN JAPAN

Gunter Coenen, European Central Bank
Co-Author(s): Volker Wieland, Johann Wolfgang Goethe Universität

WHY DO MANY DISINFLATIONS FAIL? THE IMPORTANCE OF LUCK, TIMING, AND POLITICAL INSTITUTIONS

Alessandro Prati, International Monetary Fund
Co-Author(s): Javier A. Hamann, International Monetary Fund

AN ENLARGED ECONOMIC AND MONETARY UNION: EFFECTS AND POLICY IMPLICATIONS

Pierangelo De Pace, Università Bocconi
Co-Author(s): Carlo Altomonte, IEP, Università Bocconi

NOMINAL DEBT AS A BURDEN ON MONETARY POLICY

Ramon Marimon, Universitat Pompeu Fabra, CEPR, NBER
Co-Author(s): Javier Diaz-Gimenez, Universidad Carlos III, Giorgia Giovannetti, Università di Firenze CEPR, NBER and Pedro Teles, Federal Reserve Bank of Chicago

11:00 - 12:30	INVESTMENT I (EEA) Chairperson: Satu Nurmi, Helsinki School of Economics	Room D307
---------------	--	-----------

TIMING OF INVESTMENT UNDER TECHNOLOGICAL AND REVENUE RELATED UNCERTAINTIES

Pauli Murto, Helsinki School of Economics

AGENCY COSTS OR COSTLY CAPITAL ADJUSTMENT DSGE MODELS? AN EMPIRICAL INVESTIGATION

Stefano Neri, Bank of Italy

SECTORAL DIFFERENCES IN PLANT START-UP SIZE

Satu Nurmi, Helsinki School of Economics

11:00 - 12:30	LABOUR MARKETS - INSTITUTIONS AND PERFORMANCE II (EEA) Chairperson: Yves Zenou, University of Southampton	Room D315
---------------	---	-----------

EMPLOYMENT IN THE PUBLIC SECTOR

Lorenzo Forni, Bank of Italy, Research Department
Co-Author(s): Raffaella Giordano, Bank of Italy

DAMAGES OR REINSTATEMENT: A NOTE ON REMEDIES FOR ILLEGAL DISMISSAL

Kyota Eguchi, University of Tsukuba

CRIME AND UNEMPLOYMENT IN FRANCE

Julien Pouget, CREST-INSEE

Co-Author(s): Denis Fougere, CREST-INSEE, Paris and Francis Kramarz, INSEE

DO OPPOSITIONAL IDENTITIES REDUCE EMPLOYMENT FOR ETHNIC MINORITIES?

Yves Zenou, University of Southampton

Co-Author(s): Harinder Battu, University of Aberdeen and McDonald Mwale, University of Aberdeen

11:00 - 12:30

R&D AND INNOVATIONS (EEA)

Room D320

Chairperson: Susanne Warning, University of Konstanz

THE HIDDEN SURPLUS OF RESEARCH JOINT VENTURES

Manfredi La Manna, Department of Economics, University of St Andrews

SPILLOVERS IN PRODUCT AND PROCESS INNOVATION: EVIDENCE FROM MANUFACTURING FIRMS

Carmine Ornaghi, Universidad Carlos III de Madrid

UNIVERSITY SPILLOVERS: STRATEGIC LOCATION AND NEW FIRM PERFORMANCE

Susanne Warning, University of Konstanz

Co-Author(s): David B. Audretsch, Indiana University, Erik E. Lehmann, University of Konstanz and Susanne Warning, University of Konstanz

11:00 - 12:30

GROWTH AND DEVELOPMENT (EEA)

Room B3

Chairperson: Soumitra Kumar, Indian Institute of Social Welfare and Business Management

COLONISATION, SCHOOL AND DEVELOPMENT IN AFRICA - AN EMPIRICAL ANALYSIS

Denis Cogneau, DIAL, IRD

OPTIMAL GROWTH AND TECHNOLOGY CHOICE

Soumitra Kumar Mallick, Indian Institute of Social Welfare and Business Management

11:00 - 12:30	ECONOMICS OF EDUCATION I (EEA) Chairperson: Hessel Oosterbeek, University of Amsterdam	Room D397
	HOW DOES CHILD FOSTERING AFFECT THE TRADE-OFF BETWEEN CHILD WORK AND SCHOOLING? A THEORETICAL MODEL Renata Serra, University of Cambridge, UK	
	THE EFFECTS OF MERIT-BASED FINANCIAL AID ON ACADEMIC CHOICES IN COLLEGE David Mustard, University of Georgia Co-Author(s): Chris Cornwell, University of Georgia and Kyunghye Lee, University of Georgia	
	THE EFFECT OF EXTRA FUNDING FOR DISADVANTAGED STUDENTS ON ACHIEVEMENT Hessel Oosterbeek, University of Amsterdam Co-Author(s): Edwin Leuven, University of Amsterdam, Mikael Lindahl, University of Amsterdam and Dinand Webbink, CPB	
11:00 - 12:30	AID (EEA) Chairperson: Boriana Yontcheva, International Monetary Fund	Room E397
	HOW DOES CONDITIONAL AID (NOT) WORK? Rodney Ramcharan, International Monetary Fund	
	EFFECT OF IMF PROGRAMMES ON GROWTH: A REAPPRAISAL USING THE METHOD OF MATCHING Ines Hardoy, Institute for Social Research	
	HIERARCHY AND AUTHORITY IN A DYNAMIC PERSPECTIVE Boriana Yontcheva, International Monetary Fund	
11:00 - 12:30	BUSINESS CYCLES (EEA) Chairperson: Magnus Jonsson, Sveriges Riksbank	Room B5
	COMPLEX DIXIT-STIGLITZ DYNAMICS Ingrid Kubin, University of Economics and BA, Vienna Co-Author(s): Martin Currie, University of Manchester	
	FAIR WAGES IN A NEW KEYNESIAN MODEL OF THE BUSINESS CYCLE Jean-Pierre Danthine, University of Lausanne Co-Author(s): Andre Kurmann, UQAM	
	INFLATION, MARKUPS AND MONETARY POLICY Magnus Jonsson, Sveriges Riksbank Co-Author(s): Stefan Palmqvist, Sveriges Riksbank	

11:00 - 12:30	REGULATION (EEA) Chairperson: Ugur Akgun, IDEA, Universitat Autònoma de Barcelona	Room F3154
---------------	---	------------

COLLUSION, COORDINATION IN LOBBYING, AND PRICE-CAP REGULATION IN THE U.S. MOBILE TELECOMMUNICATIONS

Astrid Jung, WZB and Humboldt University Berlin

Co-Author(s): Tomaso Duso, University of Vienna and WZB

THE POLITICAL ECONOMY OF EUROPEAN MERGER CONTROL: EVIDENCE USING STOCK MARKET DATA

Tomaso Duso, University of Vienna and WZB

Co-Author(s): Damien J. Neven, Graduate Institute of International Studies Geneva and CEPR and Lars-Hendrik Röller, WZB, Humboldt University and CEPR

MERGERS WITH SUPPLY FUNCTIONS

Ugur Akgun, IDEA, Universitat Autònoma de Barcelona

12:30 - 14:00	LUNCH
---------------	--------------

14:00 - 16:00	CONTRIBUTED SESSIONS ESEM: Theoretical and Applied Economics
---------------	--

14:00 - 16:00	POLITICAL ECONOMY I (ET) Chairperson: Luca Colombo, Catholic University, Milano	Room E306
---------------	---	-----------

ANARCHY AND DEMAND FOR THE STATE IN A TRADE ENVIRONMENT

Anna Rubinchik-Pessach, University of Colorado at Boulder

Co-Author(s): Roberto Samaniego, George Washington University

CORRUPTION AND TRANSPARENCY IN A GROWTH MODEL

Christopher Ellis, University of Oregon

Co-Author(s): John Fender, University of Birmingham

ENDOGENOUS LOBBYING

Leonardo Felli, London School of Economics

Co-Author(s): Antonio Merlo, Department of Economics, University of Pennsylvania

FISCAL FEDERALISM AND ENDOGENOUS LOBBIES' FORMATION

Luca Colombo, Catholic University, Milano

Co-Author(s): Massimo Bordignon, Catholic University, Milano and Umberto Galmarini, Università degli Studi dell'Insubria and Catholic University, Milano

14:00 - 16:00

SEARCH AND MATCHING (ET)

Room E319

Chairperson: Christian Holzner, Ifo Institute

A MARKET WITH FRICTIONS IN THE MATCHING PROCESS: AN EXPERIMENTAL STUDY

Tim Cason, Purdue University

Co-Author(s): Charles Noussair, Emory University

CHOOSY SEARCH AND THE MISMATCH OF TALENTS

Bruno Decreuse, CNRS and Université Paris 1

MISDIRECTED SEARCH - A TWO-SIDED COORDINATION PROBLEM

Juha Virrankoski, Helsinki School of Economics

Co-Author(s): Klaus Kultti, University of Helsinki and Antti Miettunen, Helsinki School of Economics

SEARCH AND ADVERSE SELECTION

Christian Holzner, Ifo Institute

14:00 - 16:00

BUSINESS CYCLES (ET)

Room E413

Chairperson: Martial Dupaigne, Toulouse University

A SUNSPOT PARADOX

Thomas Hintermaier, Institute for Advanced Studies (IHS)

HECKSCHER-OHLIN BUSINESS CYCLES

Marco Maffezzoli, Università Bocconi

Co-Author(s): Alejandro Cuñat, LSE and CEPR

MONETARY UNCERTAINTY, MARKET INCOMPLETENESS AND ECONOMIC ACTIVITY

Sunanda Roy, Drake University

ENDOGENOUS PRICE STICKINESS, TREND INFLATION, AND THE NEW KEYNESIAN PHILLIPS CURVE

Barbara Rudolf, Swiss National Bank

Co-Author(s): Hasan Bakshi, Bank of England and Pablo Burriel-Llombart, Bank of England

OUTPUT DYNAMICS AND PERSISTENCE IN OPEN ECONOMIES

Martial Dupaigne, Toulouse University

Co-Author(s): Thepthida Sopraseuth, University of Evry, EPEE and CEPREMAP

14:00 - 16:00	AUCTIONS II (ET) Chairperson: Gabriella Chiesa, Economics Department, Università' Bologna	Room E487
---------------	--	-----------

BRIBING AND SIGNALLING IN SECOND PRICE AUCTIONS

James Schummer, Northwestern University
Co-Author(s): Peter Eso, Northwestern University

**EQUILIBRIUM ALLOCATIONS UNDER MARKET SHARE
UNCERTAINTY**

Sarah Parlane, University College Dublin

MIXED BUNDLING AUCTIONS

Moritz Meyer-ter-Vehn, Bonn University, Stanford University
Co-Author(s): Philippe Jehiel, University College London and
Benny Moldovanu, Bonn University

**MULTI-UNIT PROCUREMENT AUCTIONS AND THE
EFFECTS OF MERGERS**

Gabriella Chiesa, Economics Department, Università' Bologna

14:00 - 16:00	GROWTH AND DEVELOPMENT I (ET) Chairperson: Shin-ichi Fukuda, Faculty of Economics, University of Tokyo	Room E497
---------------	---	-----------

CONDITIONAL AID, SOVEREIGN DEBT, AND DEBT RELIEF

Tito Cordella, International Monetary Fund
Co-Author(s): Giovanni Dell Arriccia, International Monetary
Fund and Kenneth Kletzer, UC, Santa Cruz

**CROSS-COUNTRY INCOME DIFFERENCES IN AN OPEN
ECONOMY TWO-SECTOR GROWTH MODEL WITH
SPECIFIC FACTORS**

María D. Guilló, Universidad de Alicante
Co-Author(s): Fidel Perez-Sebastian, Universidad de Alicante

**OUTPUT RIGIDITY AND POVERTY TRAP IN A MODEL OF
ECONOMIC GROWTH UNDER KNIGHTIAN UNCERTAINTY**

Shin-ichi Fukuda, Faculty of Economics, University of Tokyo

**ROLE OF INCREASING RETURNS IN THE EAST ASIAN
ECONOMIC GROWTH**

Hang Ryu, Chung Ang University
Co-Author(s): Jungsoo Park, SUNY Buffalo

14:00 - 16:00	MONETARY POLICY I (ET) Chairperson: Rainer Frey, Universität Rostock	Room F12
---------------	--	----------

**CENTRAL BANK LEARNING AND STABILIZATION UNDER
COMPLETE AND PARTIAL PASS-THROUGH**

Paul D. McNelis, Georgetown University
Co-Author(s): Guay C. Lim, University of Melbourne

**FORECAST-BASED VS BACKWARD-LOOKING POLICY
RULES: A 'GLOBAL' ANALYSIS**

Stefano Eusepi, New York University

**HOW TIGHT SHOULD CENTRAL BANK'S HANDS BE TIED?
CREDIBILITY, VOLATILITY AND THE OPTIMAL BAND
WIDTH OF A TARGET ZONE.**

Jesús Rodríguez López, Universidad Pablo de Olavide

Co-Author(s): Hugo Rodríguez Mendizabal, Universitat
Autònoma de Barcelona

**MONETARY-POLICY COORDINATION UNDER FIXED
EXCHANGE RATES? THE IMPORTANCE OF THE DECISION
POWERS**

Rainer Frey, Universität Rostock

14:00 - 16:00

VOTING (ET)

Room F220

Chairperson: Parimal Kanti Bag, Birkbeck College,
Univ. of London

AMBIGUITY IN ELECTORAL COMPETITION

Jean-Francois Laslier, CNRS, Ecole Polytechnique

**DIVIDING THE INDIVISIBLE: PROCEDURES FOR
ALLOCATING CABINET MINISTRIES TO POLITICAL
PARTIES IN A PARLIAMENTARY SYSTEM**

Todd Kaplan, University of Exeter

Co-Author(s): Steven Brams, NYU

QUALITATIVE VOTING

Rafael Hortala-Vallve, London School of Economics, STICERD

**THE WEAKEST LINK, CONDORCET CONSISTENCY, AND
SEQUENTIAL VS. SIMULTANEOUS VOTING**

Parimal Kanti Bag, Birkbeck College, Univ. of London

Co-Author(s): Hamid Sabourian, King's College, Cambridge and
Eyal Winter, Hebrew University of Jerusalem, Israel

14:00 - 16:00

CONTRIBUTED SESSIONS

ESEM: Econometrics and Empirical Economics

14:00 - 16:00

FINANCIAL ECONOMETRICS: THEORY II (EC)

Room F289

Chairperson: John L. Knight, Univ. of Western
Ontario

**EFFICIENT NONPARAMETRIC ESTIMATION OF MODELS
WITH NONLINEAR DEPENDENCE**

Patrick Gagliardini, Università della Svizzera Italiana

Co-Author(s): Christian Gouriéroux, CREST and University of
Toronto

**NONPARAMETRIC ESTIMATION OF THE LOWER TAIL
DEPENDENCE $\bar{E}_{\{L\}}$ IN BIVARIATE COPULAS**

Friedrich Schmid, Universität zu Köln

Co-Author(s): Jadran Dobric, Universität zu Köln

**THE STATISTICAL ANALYSIS OF MICROSCOPIC
SIMULATION MODELS IN FINANCIAL MARKETS**

Youwei Li, CentER, Tilburg University

Co-Author(s): Bas Donkers, Department of Marketing and
Organization, Erasmus University Rotterdam and Bertrand
Melenberg, Tilburg University

**VALUE AT RISK LINEAR EXPONENT FORECASTS
(VARLINEX)**

John L. Knight, Univ. of Western Ontario

Co-Author(s): Steve E. Satchell, University of Cambridge and
Guoqiang Wang, Hudson's Bay Company

14:00 - 16:00

FORECASTING I (EC)

Room F299

Chairperson: Anindya Banerjee, European University
Institute

**ESTIMATES AND FORECASTS FROM THE LINEAR-
QUADRATIC MODEL WHEN INVENTORIES AND SALES
ARE POLYNOMIALLY COINTEGRATED**

Paul Mizen

Co-Author(s): Anindya Banerjee, European University Institute

FORECASTING INFLATION IN THE EURO AREA

Olivier De Bandt, Banque de France

Co-Author(s): Catherine Bruneau, Banque de France and Paris
X, Thema and Alexis Flageollet, Banque de France and Paris X,
Thema

**FORECASTING OUTPUT WITH INFORMATION FROM
BUSINESS CYCLE TURNING POINTS: A QUALITATIVE
VARIABLE VAR**

Katrin Wesche, University of Bonn

Co-Author(s): Michael Dueker, Federal Reserve Bank of St.
Louis

**ARE THERE ANY RELIABLE INDICATORS FOR US
INFLATION AND GDP GROWTH?**

Anindya Banerjee, European University Institute

Co-Author(s): Massimiliano Marcellino, Università Bocconi

14:00 - 16:00	IDENTIFICATION AND ESTIMATION (EC) Chairperson: Andrew Chesher, University College London	Room D7
---------------	---	---------

IDENTIFICATION AND ESTIMATION OF DYNAMIC DISCRETE GAMES

Pedro Mira, CEMFI

Co-Author(s): Victor Aguirregabiria, Boston University

IDENTIFICATION AND MIS-SPECIFICATION ISSUES IN FORWARD-LOOKING MODELS

Sophocles Mavroeidis, University of Amsterdam

IDENTIFICATION OF EFFECTS OF DYNAMIC TREATMENTS WITH A DIFFERENCE-IN-DIFFERENCES APPROACH

Ruth Miquel, SIAW, University of St. Gallen

SEMIPARAMETRIC IDENTIFICATION IN DURATION MODELS

Andrew Chesher, University College London

14:00 - 16:00	INTEREST RATES (EC) Chairperson: Viviana Fernandez, Dept. of Industrial Engineering, University of Chile	Room F315
---------------	--	-----------

PERMANENT FACTORS AFFECTING THE DYNAMICS OF THE TERM STRUCTURE OF INTEREST RATES

Christophe Villa, CREST-ENSAI

Co-Author(s): Christophe Pérignon, Anderson School, UCLA

TESTING THE EXPECTATIONS HYPOTHESIS: SOME NEW EVIDENCE

Daniel Thornton, Federal Reserve Bank of St. Louis

Co-Author(s): Robert Dittmar, Federal Reserve Bank of St. Louis

TESTING UNCOVERED INTEREST RATE PARITY: A CONTINUOUS-TIME VAR APPROACH

Antonio Diez de los Rios, CEMFI and Universidad de Malaga

Co-Author(s): Angel Leon, Universidad de Alicante and Enrique Sentana, CEMFI

CHANGES IN MONETARY POLICY AND BANKING REACTION

Viviana Fernandez, Dept. of Industrial Engineering, University of Chile

14:00 - 16:00	MOBILITY (EC) Chairperson: Trine Filges, Danish National Institute of Social Research	Room F389
---------------	--	-----------

**MODELLING MOBILITY AND HOUSING TENURE CHOICE –
A MULTINOMIAL PROBIT MODEL FOR PANEL DATA**

Qin Tu, Tilburg University

Co-Author(s): Bas Donkers, Tilburg University, Bertrand
Melenberg, Tilburg University and Arthur van Soest, Tilburg
University

**MODELLING LABOUR MOBILITY USING HOUSING AND
EMPLOYMENT HISTORIES**

Cristina Barcelo, Bank of Spain

**EMPLOYMENT STATUS, ENDOGENOUS REGIONAL
MOBILITY, AND SPATIAL DEPENDENCIES IN LABOR
MARKETS: SOME THEORY AND EVIDENCE FOR WESTERN
GERMANY**

Rene Fahr, IZA, Bonn

Co-Author(s): Uwe Sunde, IZA and Bonn University

**IS LOVE ALL THAT MATTERS? AN EMPIRICAL ANALYSIS
OF GEOGRAPHICAL MOBILITY IN DENMARK**

Trine Filges, Danish National Institute of Social Research

Co-Author(s): Mette Deding, Danish National Institute of Social
Research

14:00 - 16:00	PANEL DATA: APPLICATIONS (EC) Chairperson: Helene Rey, Princeton University and CERAS	Room D9
---------------	--	---------

**DO GOVERNMENTS GROW WHEN THEY BECOME MORE
EFFICIENT? EVIDENCE FROM TAX WITHHOLDING**

Libor Dusek, University of Chicago

**TESTING FINANCING CONSTRAINTS ON FIRM
INVESTMENT USING VARIABLE CAPITAL**

Andrea Caggese, Pompeu Fabra University

**BAYESIAN ANALYSIS OF KNOWLEDGE SPILLOVERS IN
EUROPEAN REGIONS**

Olivier Parent, Creuset University of Saint-Etienne

Co-Author(s): Riou Stéphane, Creuset University of Saint-
Etienne

MACROECONOMICS AND PERSISTENCE

Helene Rey, Princeton University and CERAS

Co-Author(s): Jean Imbs, London Business School, Haroon
Mumtaz, London Business School and Morten Ravn, London
Business School

14:00 - 16:00	TREATMENT EFFECTS AND PROGRAM EVALUATION I (EC) Chairperson: Govert Bijwaard, Erasmus University	Room F397
---------------	--	-----------

DIFFERENTIAL EFFECTS OF SWEDISH ACTIVE LABOUR MARKET PROGRAMMES FOR UNEMPLOYED ADULTS DURING THE 1990s
Barbara Sianesi, Institute for Fiscal Studies

IS LABOUR MARKET TRAINING A CURSE FOR THE UNEMPLOYED? EVIDENCE FROM A SOCIAL EXPERIMENT
Lars Skipper, University of Aarhus
Co-Author(s): Michael Rosholm, Dept. of Economics, University of Aarhus

VOLUNTARY PARTICIPATION TO TRAINING PROGRAM AND UNEMPLOYMENT DURATION
Sandra Cavaco, GATE UMR 5824 of CNRS, University of Lyon

INSTRUMENTAL VARIABLE ESTIMATION FOR DURATION DATA: A REAPPRAISAL OF THE ILLINOIS REEMPLOYMENT BONUS EXPERIMENT
Govert Bijwaard, Erasmus University

14:00 - 16:00	UNIT ROOTS (EC) Chairperson: Peter Boswijk, Universiteit van Amsterdam	Room F413
---------------	--	-----------

ASYMPTOTIC CONFIDENCE INTERVALS FOR IMPULSE RESPONSES OF NEAR-INTEGRATED PROCESSES
Nikolay Gospodinov, Concordia University

LIMITED TIME SERIES WITH A UNIT ROOT
Giuseppe Cavaliere, University of Bologna

ASYMPTOTIC PROPERTIES OF PSEUDO MAXIMUM LIKELIHOOD ESTIMATES FOR MULTIPLE FREQUENCY I(1) PROCESSES
Martin Wagner, University of Bern and Princeton University
Co-Author(s): Dietmar Bauer, Institute of Econometrics, Technical University of Vienna

WHY FREQUENCY MATTERS FOR UNIT ROOT TESTING
Peter Boswijk, Universiteit van Amsterdam
Co-Author(s): Franc Klaassen, University of Amsterdam

14:00 - 16:00

CONTRIBUTED SESSIONS
EEA

14:00 - 16:00

POLITICAL ECONOMY II (EEA)

Room A5137

Chairperson: Carmelo Rodriguez-Alvarez, Dept.
Economics, University of Warwick

PROVINCIAL PROTECTIONISM

Konstantin Sonin, New Economic School and CEFIR

FRACTIONALIZATION AND THE SIZE OF GOVERNMENT

Jo Thori Lind, University of Oslo

**WHY LEGISLATORS ARE PROTECTIONISTS: THE ROLE OF
MAJORITARIAN VOTING IN SETTING TARIFFS**

Gerald Willmann, University of Kiel

**CANDIDATE STABILITY AND PROBABILISTIC VOTING
PROCEDURES**

Carmelo Rodriguez-Alvarez, Dept. Economics, University of
Warwick

14:00 - 16:00

INDUSTRIAL ORGANISATION III (EEA)

Room C497

Chairperson: Anette Boom, Social Science Research
Center Berlin

**MEDIA COMPETITION WHEN THE AUDIENCE DISLIKES
ADVERTISING**

Tore Nilssen, University of Oslo

Co-Author(s): Pedro Barros, Universidade Nova de Lisboa,
Hans Jarle Kind, Institute for Research in Economics and Bus.
Adm. and Lars Sørsgard, Norwegian School of Economics

ADVERTISING, BRAND LOYALTY AND PRICING

Ioana Chioveanu, Universitat Autònoma de Barcelona

**INVESTMENTS IN ELECTRICAL GENERATING CAPACITY
UNDER DIFFERENT MARKET STRUCTURES WITH PRICE
RESPONSIVE DEMAND**

Anette Boom, Social Science Research Center Berlin

14:00 - 16:00	PUBLIC FINANCE II (EEA) Chairperson: Christian Kelders, CES, University of Munich	Room D207
---------------	---	-----------

VOLUNTEERING PUBLIC SERVICES WHEN TASKS ARE NOT EQUIVALENT

Nicolas Sahuguet, Ecares

PRIVATISATIONS AS PRICE REFORMS: AN ANALYSIS OF CONSUMERS' WELFARE CHANGE IN THE UK

Massimo Florio, University of Milan

Co-Author(s): Rinaldo BRAU, University of Cagliari

TOLLING THE RHINE IN 1254: COMPLEMENTARY MONOPOLY REVISITED

Roy Gardner, Indiana University

Co-Author(s): Noel Gaston, Bond University and Rob Masson, Cornell University

TAX INCENTIVES IN FISCAL FEDERALISM: AN INTEGRATED PERSPECTIVE

Christian Kelders, CES, University of Munich

Co-Author(s): Marko Köthenbürger, CES/University of Munich

14:00 - 16:00	EXCHANGE RATES I (EEA) Chairperson: Alejandro Micco, Inter-American Development Bank	Room D220
---------------	--	-----------

FUNDAMENTALS, INSTITUTIONS AND BELIEFS: MONETARY CIRCULATION AND EXCHANGE RATES IN DUAL-CURRENCY SEARCH MODELS

Sébastien Lotz, University of Paris 2, Ermes

Co-Author(s): Richard Dutu, Université Paris 10 Nanterre and Dominique Torre, Latapses- University of Nice - Sophia Antipolis

DAY TRADERS, NEWS ARRIVAL, AND EXCHANGE RATE DYNAMICS

Frank Westerhoff, University of Osnabrueck

Co-Author(s): Sebastiano Manzan, University of Amsterdam

THE EXCHANGE RATE IN A MODEL WITH HETEROGENEOUS AGENTS AND TRANSACTIONS COSTS

Marianna Grimaldi, University of Leuven

Co-Author(s): Paul de Grauwe, University of Leuven

THE CURRENCY UNION EFFECT ON TRADE: EARLY EVIDENCE FROM EMU

Alejandro Micco, Inter-American Development Bank

14:00 - 16:00	MONETARY POLICY IV (EEA) Chairperson: Nuno Alves, Banco de Portugal	Room D299
---------------	---	-----------

MONETARY AND FISCAL POLICY INTERACTIONS IN A MICRO-FOUNDED MODEL OF A MONETARY UNION

Henrik Jensen, University of Copenhagen
Co-Author(s): Roel Beetsma, University of Amsterdam

MONETARY POLICY AND ASSET PRICE FLUCTUATIONS

Charlotta Groth, Bank of England

ON (SUB)OPTIMAL MONETARY POLICY RULES UNDER UNTIED FISCAL HANDS

Paolo Zagaglia, Department of Economics, Stockholm University

THE DISTRIBUTION OF LIQUIDITY IN A MONETARY UNION WITH DIFFERENT PORTFOLIO RIGIDITIES

Nuno Alves, Banco de Portugal

14:00 - 16:00	GROWTH AND TECHNOLOGY I (EEA) Chairperson: Andreas Irmen, University of Mannheim	Room D307
---------------	--	-----------

LOSE A FLY TO CATCH A TROUT? ON DUAL GROWTH ACCOUNTING IN A DYNAMIC ECONOMY

Richard Nahuis, CPB and Utrecht School of Economics
Co-Author(s): Bas Jacobs, University of Chicago

DIRECTED SECTOR AND SKILL-SPECIFIC TECHNOLOGICAL CHANGE: THE DEVELOPMENT OF WAGES FOR THE HIGH AND LOW SKILLED

Juergen Antony, University of Augsburg, Department of Economics

OPTIMAL CAPITAL ACCUMULATION AND EMBODIED TECHNOLOGICAL PROGRESS UNDER UNCERTAINTY

Bruno Cruz, IRES, Université Catholique de Louvain
Co-Author(s): Aude Pommeret, DEEP-HEC Université de Lausanne

CAPITAL ACCUMULATION, FACTOR PRICES, AND ENDOGENOUS LABOR-SAVING TECHNICAL CHANGE

Andreas Irmen, University of Mannheim

14:00 - 16:00	DEMAND ANALYSIS AND FAMILY ECONOMICS (EEA) Chairperson: Giam Pietro Cipriani, Department of Economics, University of Bristol and University of Verona	Room D315
---------------	---	-----------

LEAVING HOME IN EUROPE: THE ROLE OF PARENT'S AND CHILD'S INCOMES

David Le Blanc, CREST
Co-Author(s): Francois-Charles Wolff, LEN-CEBS University of

Nantes

**NONPARAMETRIC DEMAND SYSTEMS AND A
HETEROGENEOUS POPULATION**

Stefan Hoderlein, Mannheim Research Institute for the
Economics of Aging

**INTERGENERATIONAL TRANSFERS AND DEMOGRAPHIC
TRANSITION**

Giam Pietro Cipriani, Department of Economics, University of
Bristol and University of Verona
Co-Author(s): Keith Blackburn, Centre for Growth and Business
Cycle Research, School of Economic Studies, University of
Manchester

14:00 - 16:00

CONTRACTS: EMPIRICAL EVIDENCE (EEA)

Room D320

Chairperson: George Sheldon, University of Basle

**MALE-FEMALE PRODUCTIVITY DIFFERENTIALS: THE
ROLE OF ABILITY AND INCENTIVES**

Bruce Stephen Shearer, Université Laval
Co-Author(s): Harry Paarsch, University of Iowa

**DOES ADVERSE SELECTION MATTER? EVIDENCE FROM A
NATURAL EXPERIMENT**

Erik Grönqvist, Stockholm School of Economics

**FAIRNESS AND THE OPTIMAL ALLOCATION OF
OWNERSHIP RIGHTS**

Susanne Kremhelmer, University of Munich
Co-Author(s): Ernst Fehr, University of Zurich and Klaus M.
Schmidt, University of Munich

**THE MARKET FOR USED CARS: A NEW TEST OF THE
LEMONS MODEL**

George Sheldon, University of Basle
Co-Author(s): Winand Emons, University of Bern

14:00 - 16:00

ENVIRONMENTAL POLICY I (EEA)

Room D397

Chairperson: Hannes Egli, ETH Zurich, Institute of
Economic Research

**DO VOLUNTARY INTERNATIONAL ENVIRONMENTAL
AGREEMENTS WORK?**

Sigve Tjøtta, Department of Economics, University of Bergen
Co-Author(s): Espen Bratberg, University of Bergen and Øines
Torgeir, Nordland Research Institute

**EMISSION TRADING AND THE STABILITY OF
ENVIRONMENTAL AGREEMENTS**

Gergely Ujhelyi, Harvard University

**COALITION FORMATION IN A GLOBAL WARMING GAME:
HOW THE DESIGN OF PROTOCOLS AFFECTS THE
SUCCEES OF ENVIRONMENTAL TREATY-MAKING**

Johan Eyckmans, Katholieke Universiteit Leuven - C.E.S.
Co-Author(s): Michael Finus, University of Hagen

ARE CROSS-COUNTRY STUDIES OF THE ENVIRONMENTAL KUZNETS CURVE MISLEADING? NEW EVIDENCE FROM TIME SERIES DATA FOR GERMANY

Hannes Egli, ETH Zurich, Institute of Economic Research

14:00 - 16:00

LABOUR MARKET AND COMPETITION (EEA)

Room E397

Chairperson: Alberto Chong, Inter-American Development Bank

PRODUCT MARKET DEREGULATION AND LABOR MARKET OUTCOMES

Christian Haefke, Universitat Pompeu Fabra

Co-Author(s): Monique Ebell, Studienzentrum Gerzensee

PUBLIC ENTERPRISES AND LABOR MARKET PERFORMANCE

Rachel Ngai, London School of Economics

Co-Author(s): Johannes Horner, Northwestern University and Claudia Olivetti, Boston University

TRADE, SKILLS AND ADJUSTMENT COSTS: A STUDY OF INTRA-SECTORAL LABOUR MOBILITY IN THE UK

Robert Elliott, School of Economic Studies, University of Manchester

Co-Author(s): Joanne Lindley, University of Nottingham

PRIVATIZATION AND LABOR FORCE RESTRUCTURING AROUND THE WORLD

Alberto Chong, Inter-American Development Bank

Co-Author(s): Florencio Lopez-de-Silanes, Yale University

14:00 - 16:00

PREFERENCES (EEA)

Room B3

Chairperson: Maria Saez-Marti, Research Institute of Industrial Economics, IUI

RATIONAL CHOICE WITH STATUS QUO BIAS

Yusufcan Masatlioglu, New York University

Co-Author(s): Efe Ok, New York University

PRICING AND PRODUCT DESIGN WITH BOUNDEDLY RATIONAL CONSUMERS

Xavier Gabaix, Massachusetts Institute of Technology

Co-Author(s): David Laibson, Harvard University

PREFERENCE REVERSALS AND THE ANALYSIS OF INCOME DISTRIBUTIONS

Frank Cowell, STICERD, LSE

Co-Author(s): Yoram Amiel, Ruppin Institute, Liema Davidovitz, Ruppin Institute and Avraham Polovin, Ruppin Institute

DISCOUNTING AND ALTRUISM TO FUTURE DECISION-MAKERS

Maria Saez-Marti, Research Institute of Industrial Economics,
IUI
Co-Author(s): Jorgen Weibull, Boston University

14:00 - 16:00 **AUCTIONS II (EEA)** Room F3154

Chairperson: Ariane Lambert Mogiliansky, CERAS,
Ecole Nationale des Ponts et Chaussées, CNRS
URA 2036, Paris

EQUILIBRIA IN MULTI-UNIT PRIVATE VALUE AUCTIONS

Michal Bresky, CERGE

**SIMULTANEOUS ASCENDING BID AUCTIONS WITH
BUDGET CONSTRAINTS**

Giuseppe Lopomo, Duke University
Co-Author(s): Sandro Brusco, New York University

**LIQUIDITY CONSTRAINTS AND CREDIT SUBSIDIES IN
AUCTIONS.**

Jose Quintero, Universidad Carlos III de Madrid

**CORRUPTION AND COLLUSION IN PROCUREMENT
TENDERS**

Ariane Lambert Mogiliansky, CERAS, Ecole Nationale des Ponts
et Chaussées, CNRS URA 2036, Paris
Co-Author(s): Konstantin Sonin, New Economic School and
CEFIR

14:00 - 16:00 **WAGE DISPERSION (EEA)** Room F420

Chairperson: Alexander Hijzen, University of
Nottingham

**FOREIGN FIRMS AND INDONESIAN MANUFACTURING
WAGES: AN ANALYSIS WITH PANEL DATA**

Fredrik Sjöholm, Stockholm School of Economics
Co-Author(s): Robert E. Lipsey, NBER

**FIRMS' HETEROGENEITY IN CAPITAL/LABOR RATIOS AND
WAGE INEQUALITY**

Marco Leonardi, IZA

**CAPITAL-SKILL COMPLEMENTARITY AND INEQUALITY
OVER THE BUSINESS CYCLE**

Matthew Lindquist, Department of Economics, Stockholm
University

**FRAGMENTATION, PRODUCTIVITY AND RELATIVE WAGES
IN THE UK: A GENERAL EQUILIBRIUM APPROACH**

Alexander Hijzen, University of Nottingham

14:00 - 16:00	ECONOMIC GEOGRAPHY I (EEA) Chairperson: Marc Schramm, University of Nijmegen	Room F487
---------------	--	-----------

BRAIN DRAIN, R&D INVESTMENT, AND INTERNATIONAL LOCATION IN OLIGOPOLISTIC INDUSTRIES

Armando Pires Garcia Pires, ISEG/UTL, Faculty of Economics and Business Administration, Technical University of Lisbon

INTEGRATION, FRAGMENTATION, AND THE GEOGRAPHY OF WELFARE

Barbara Dluhosch, University FAF Hamburg

WHY IS CENTRAL PARIS LOSING JOBS?

Frederic Gilli, Insee, Ceras-ENPC, Université Lille 1

THE STRATEGIC BOMBING OF GERMAN CITIES DURING WORLD WAR II AND ITS IMPACT ON CITY GROWTH

Marc Schramm, University of Nijmegen

Co-Author(s): Steven Brakman, University of Groningen and Garretsen Harry, Utrecht School of Economics, Utrecht University

14:00 - 16:00	ECONOMICS OF EDUCATION III (EEA) Chairperson: Mikael Lindahl, Department of Economics, University of Amsterdam	Room B5
---------------	--	---------

EDUCATION CHOICE UNDER UNCERTAINTY AND PUBLIC POLICY

Ian Walker, University of Warwick

Co-Author(s): Vincent Hogan, University College Dublin

SCHOLARSHIPS OR STUDENT LOANS: SUBSIDIZING HIGHER EDUCATION IN THE PRESENCE OF MORAL HAZARD

Annalisa Luporini, University of Florence

Co-Author(s): Alessandro Cigno, University of Florence

EDUCATING EUROPE

Panu Poutvaara, Centre for Economic and Business Research

THE EFFECT OF EXTRA SCHOOLING ON EARLY TEST SCORES

Mikael Lindahl, Department of Economics, University of Amsterdam

Co-Author(s): Edwin Leuven, University of Amsterdam, Hessel Oosterbeek, University of Amsterdam and Dinand Webbink, University of Amsterdam

14:00 - 16:00	PUBLIC ECONOMICS II (EEA) Chairperson: Ronald Wendner, Graz University, Dept. of Economics	Room B4
---------------	---	---------

A NEW LOOK AT THE TWO-MODE PROBLEM

Marvin Kraus, Boston College

TOWARD A MORE GENERAL THEORY OF VOLUNTARY COOPERATION

Ratna Shrestha, University of British Columbia

HOW TO TURN AN INDUSTRY GREEN: TAXES VERSUS SUBSIDIES

Susanne Droege, DIW Berlin, German Institute for Economic Research

Co-Author(s): Philipp Schröder, DIW Berlin, German Institute for Economic Research

KEEPING UP WITH THE JONESES, THE ENVIRONMENT, AND OPTIMAL TAXES

Ronald Wendner, Dept. of Economics, Graz University

14:00 - 16:00	BANKING II (EEA) Chairperson: Laura D'Amato, Central Bank of Argentina and UNLP	Room D8
---------------	---	---------

THE GREAT BANKS' DEPRESSION - DEPOSIT WITHDRAWALS IN THE GERMAN CRISIS OF 1931

Isabel Schnabel, Department of Economics, University of Mannheim

EX-ANTE VERSUS EX-POST REGULATION OF MARKET RISK

Simone Varotto, ISMA Centre, University of Reading

Co-Author(s): Arup Daripa, Birkbeck College, London and Simone Varotto, ISMA Centre, University of Reading

BANK CAPITAL AND LENDING BEHAVIOR: EMPIRICAL EVIDENCE FOR ITALY

Paolo Emilio Mistrulli, Banca d'Italia

Co-Author(s): Leonardo Gambacorta, Banca d'Italia

THE ARGENTINE BANKING AND EXCHANGE RATE CRISIS OF 2001: CAN WE LEARN SOMETHING NEW ABOUT FINANCIAL CRISES?

Laura D'Amato, Central Bank of Argentina and UNLP

Co-Author(s): Tamara Burdisso, Central Bank of Argentina

16:00 - 16:30	REFRESHMENTS
---------------	---------------------

Thursday 16:30 – 18:30

16:30 - 18:00

ECONOMETRIC SOCIETY PRESIDENTIAL ADDRESS

Room Aula Magna

Chairperson: Salvador Barberà, Universitat
Autònoma de Barcelona

BARGAINING, COALITIONS, AND EXTERNALITIES
Eric Maskin, Institute for Advanced Study and Princeton
University

18:00 - 18:30

**ECONOMETRIC SOCIETY GENERAL MEETING OF
MEMBERS**

19:00

SOCIAL EVENT: CITY HALL RECEPTION AND DINNER

FRIDAY 22ND AUGUST 2003

09:00 - 10:30	INVITED SESSIONS ESEM: Theoretical and Applied Economics	
09:00 - 10:30	INVITED SESSION IN THEORETICAL AND APPLIED ECONOMICS II (ET) Chairperson: Leonardo Felli, London School of Economics	Room C6
	THE ORGANIZATION OF DELEGATED EXPERTISE David Martimort, Institut d'Economie Industrielle (IDEI) Discussant(s): Marco Ottaviani, London Business School	
09:00 - 10:30	INVITED SESSIONS ESEM: Econometrics and Empirical Economics	
09:00 - 10:30	INVITED SESSION IN ECONOMETRICS AND EMPIRICAL ECONOMICS II (EC) Chairperson: Martin Browning, Kobenhavn Universitet	Room E10
	SEMIPARAMETRIC ESTIMATION OF AVERAGE TREATMENT EFFECTS UNDER EXOGENEITY ASSUMPTIONS Guido Imbens, UC Berkeley Discussant(s): Charles Manski, Northwestern University	
09:00 - 10:30	INVITED SESSIONS EEA	
09:00 - 10:30	BEHAVIOURAL ECONOMICS (EEA) Chairperson: Ernst Fehr, University of Zurich	Room A2
	INEQUITY AVERSION AND ASSET PRICES Georg Gebhardt, University of Munich	
	FAIRNESS AND INFLATION PERSISTENCE Steinar Holden, University of Oslo	
	LOSS AVERSION AND LABOUR SUPPLY Ernst Fehr, University of Zurich Co-Author(s): Lorenz Goette, University of Zurich and David Huffman	

09:00 - 10:30	TECHNOLOGY SHOCKS AND ECONOMIC FLUCTUATIONS: WHERE DO MACROECONOMISTS STAND? (EEA) Chairperson: Jordi Galí, CREI and UPF	Room B4
---------------	--	---------

DO PRODUCTIVITY SHOCKS LEAD TO A DECLINE IN LABOR?

Harald Uhlig, Humboldt University

ON THE ROLE OF TECHNOLOGY AS A SOURCE OF BUSINESS CYCLES: SOME RECENT FINDINGS

Jordi Galí, CREI and UPF

THE DYNAMIC EFFECTS OF TECHNOLOGY SHOCKS: ALTERNATIVE MEASURES

Lawrence J. Christiano, Northwestern University

Co-Author(s): Marty Eichenbaum and Rob Vigfusson, Board of Governors

09:00 - 10:30	COMMUNITY ORGANIZATION AND ECONOMIC DEVELOPMENT (EEA) Chairperson: Kaivan Munshi, University of Pennsylvania and Chris Udry, Yale University	Room F11
---------------	--	----------

HETEROGENEITY AND COMMUNITY DECISION MAKING

Tim Besley, London School of Economics

Co-Author(s): Steve Coate, Cornell University

FROM KOOLS TO SCHOOLS: A NOTE ON UNDERSTANDING AND HARNESSING A COMMUNITY'S COLLECTIVE POTENTIAL

Asim Ijaz Khwaja, Harvard University

INDIVIDUAL DECISIONS AND OUTCOMES IN A NETWORK-BASED ECONOMY

Kaivan Munshi, University of Pennsylvania

Co-Author(s): Nancy Luke, Harvard University and Mark Rosenzweig, Harvard University

09:00 - 10:30	MACROECONOMIC ASPECTS OF THE LABOUR MARKET (EEA) Chairperson: Robert Shimer, Princeton University	Room D8
---------------	---	---------

THE EUROPEAN EMPLOYMENT AND UNEMPLOYMENT EXPERIENCES

Richard Rogerson, Arizona State University

EUROPEAN UNEMPLOYMENT AND TURBULENCE REVISITED IN A MATCHING MODEL

Lars Ljungqvist, Stockholm School of Economics

Co-Author(s): Thomas Sargent, New York University

THE CYCLICAL BEHAVIOR OF LABOR MARKETS

Robert Shimer, Princeton University

09:00 - 10:30	MIGRATION (EEA) Chairperson: Christian Dustmann, University College London	Room D7
---------------	---	---------

MIGRATION

Bernt Bratsberg, Frisch Centre Oslo, Juan José Dolado,
Universidad Carlos III de Madrid, Yoram Weiss, Tel Aviv
University and Klaus F. Zimmermann, University of Bonn, DIW,
and IZA

10:30 - 12:30	EEA POSTER SESSION 3
---------------	-----------------------------

10:30 - 12:30	OPTIMAL POLICY (EEA)	Poster Area P1
---------------	-----------------------------	----------------

**CAN OPTIMAL INCOME TAX THEORY BE USED TO
JUSTIFY BASIC INCOME?**

Laurence Jacquet, IRES, UCL, Belgium

OPTIMAL TAXATION AND NORMALISATIONS

Bjørn Sandvik, University of Bergen

**MORAL HAZARD AND THE INTERNATIONAL MONETARY
FUND? A PRINCIPAL AGENT MODEL**

Yinglan Tan, Carnegie Mellon University

10:30 - 12:30	WAGE DETERMINANTS AND DYNAMICS (EEA) Organizer: Jean-Marc Robin, Université de Paris 1 – Panthéon, Sorbonne	Poster Area P2
---------------	--	----------------

**ON THE WAGES OF TEMPORARY HELP SERVICE
WORKERS IN GERMANY**

Michael Kvasnicka, Humboldt-University Berlin, Germany
Co-Author(s): Axel Werwatz, German Institute for Economic
Research (DIW)

**DOWNWARD NOMINAL WAGE RIGIDITY IN ITALY:
EVIDENCE AND CONSEQUENCES**

Francesco Devicienti, LABORatorio R. Revelli and ISER,
University of Essex

**COHORT EFFECTS ON EARNINGS PROFILES: EVIDENCE
FROM SWEDEN**

Susanne Dahlberg, Uppsala University and Ruth-Aïda Nahum,
Uppsala University

**A MODELISATION OF THE ANCHORING EFFECT IN
CLOSED-ENDED QUESTION WITH FOLLOW-UP**

Sandra Lechner, University of Konstanz
Co-Author(s): Francois Laisney, Universitat Mannheim and Anne
Rozan, University of Strasbourg

**MODELLING INDIVIDUAL EARNINGS TRAJECTORIES WITH
COPULAS WITH AN APPLICATION TO THE STUDY OF
EARNINGS INEQUALITY IN FRANCE IN THE 1990'S**

Stéphane Bonhomme, CREST-INSEE
Co-Author(s): Jean-Marc Robin, Université de Paris 1 –
Panthéon, Sorbonne

10:30 - 12:30	EXCHANGE RATES - REAL DETERMINANTS (EEA) Organizer: Morten Ravn, London Business School	Poster Area P3
---------------	---	----------------

**THE EFFECTS OF GOVERNMENT DEFICIT ON
EQUILIBRIUM REAL EXCHANGE RATES AND STOCK
PRICES**

Marcelo Moura, Ibmecc Business School

**DEMAND SHOCKS, FACTOR MOVEMENTS AND
EQUILIBRIUM RELATIVE PRICES IN THE EUROPEAN
CURRENCY AREA**

Pietro Cova, Economics Department, Georgetown University

THE CONSUMPTION-REAL EXCHANGE RATE ANOMALY

Christoph Thoenissen, Bank of England
Co-Author(s): Gianluca Benigno, London School of Economics

10:30 - 12:30	INEQUALITY (EEA)	Poster Area P4
---------------	-------------------------	----------------

STRATIFICATION, SOCIAL NETWORKS IN THE LABOUR MARKET, AND INTERGENERATIONAL MOBILITY

Dan Anderberg, Royal Holloway College, University of London
Co-Author(s): Fredrik Andersson, Lund University

MACROECONOMIC VOLATILITY AND INCOME INEQUALITY IN A STOCHASTICALLY GROWING ECONOMY

Cecilia Garcia Penalosa, GREQAM and CNRS
Co-Author(s): Stephen Turnovsky, University of Washington

THE EFFECT OF BETTER INFORMATION ON INCOME INEQUALITY

Bernhard Eckwert, University of Bielefeld
Co-Author(s): Itzhak Zilcha, Tel Aviv University

10:30 - 12:30	MONETARY POLICY AND LEARNING (EEA)	Poster Area P5
---------------	---	----------------

Organizer: Harald Uhlig, Humboldt University

MONETARY POLICY SHOCKS IN A TWO-SECTOR OPEN ECONOMY: AN EMPIRICAL STUDY

Ricardo Llaudes, Johns Hopkins University

INFLATION TARGETING UNDER UNCERTAINTY IN A DYNAMIC SET-UP

Nicola Viegi, Economics Department, University of Natal
Co-Author(s): Maria Demertzis, Research Department, De Nederlandsche Bank

THE PROBLEMS OF LEARNING AND DETERMINACY IN INFLATION TARGETING BASED ON CONSTANT INTEREST RATE PROJECTIONS

Kaushik Mitra, Royal Holloway
Co-Author(s): Seppo Honkapohja, University of Helsinki

ADAPTIVE LEARNING, MODEL UNCERTAINTY AND MONETARY POLICY INERTIA IN A LARGE INFORMATION ENVIRONMENT

Fabio Milani, Princeton University

10:30 - 11:00	REFRESHMENTS
---------------	---------------------

11:00 - 12:30

CONTRIBUTED SESSIONS

ESEM: Theoretical and Applied Economics

11:00 - 12:30

EVOLUTION AND LEARNING III (ET)

Room E306

Chairperson: Catherine Hafer, New York University

THE EVOLUTIONARY LOGIC OF FEELING SMALL

Ana B. Ania, University of Vienna

Co-Author(s): Carlos Alos-Ferrer, Department of Economics,
University of Vienna

WHAT TO MAXIMIZE IF YOU MUST

Aviad Heifetz, Tel Aviv University

Co-Author(s): Chris Shannon, Department of Economics,
University of California, Berkeley and Yossi Spiegel, Faculty of
Management, Tel Aviv University

DELIBERATION AS SELF-DISCOVERY

Catherine Hafer, New York University

Co-Author(s): Dimitri Landa, New York University

11:00 - 12:30

GAME THEORY III (ET)

Room E319

Chairperson: Michael Mandler, Royal Holloway
College, University of London

REPEATED GAMES WITH OBSERVATION COSTS

Tadashi Sekiguchi, Institute of Economic Research, Kyoto
University

Co-Author(s): Eiichi Miyagawa, Columbia University and
Yasuyuki Miyahara, Kobe University

SEMINANONYMOUS GAMES

Matthias Blonski, University of Frankfurt

STRATEGIES AS STATES

Michael Mandler, Royal Holloway College, University of London

11:00 - 12:30

INTERNATIONAL ECONOMICS II (ET)

Room E413

Chairperson: Mathias Hoffmann, University of
Cologne

**SAVING, INVESTMENT AND THE NET FOREIGN ASSET
POSITION**

Mathias Hoffmann, University of Cologne

**TRADE LIBERALIZATION AND INDUSTRIAL DYNAMICS:
FIRM SURVIVAL, EXIT OR CROSS-BORDER M&A**

Olivier Bertrand, TEAM and CNRS, University of Paris 1
Sorbonne

Co-Author(s): Habib Zitouna, TEAM, University of Paris 1 and
CNRS

GLOBALISATION AND FACTOR RETURNS IN COMPETITIVE MARKETS

Udo Kreickemeier, University of Nottingham
Co-Author(s): Rod Falvey, University of Nottingham

11:00 - 12:30	PREFERENCES AND DECISION-MAKING III (ET) Chairperson: Ariane Lambert Mogiliansky, CERAS, Ecole Nationale des Ponts et Chaussées, CNRS URA 2036, Paris	Room E487
---------------	---	-----------

TIME-INCONSISTENT PREFERENCES IN A HETEROGENEOUS AGENTS WORLD

Lilia Maliar, University of Alicante
Co-Author(s): Serguei Maliar, University of Alicante

DYNAMIC CONSISTENCY, PROPERTY RIGHTS, AND THE BENEVOLENT GOVERNMENT

Arefiev Nikolay, EUREQua, Pairs-1, HSE

TYPE INDETERMINACY - EXTENDING THE BAYESIAN PARADIGM IN DECISION THEORY

Ariane Lambert Mogiliansky, CERAS, Ecole Nationale des Ponts et Chaussées, CNRS URA 2036, Paris
Co-Author(s): Shmuel Zamir, EUREQua-CNRS and Hervé Zwirn, IHPS, UMR 8590 CNRS/Université Paris 1, and CMLA, UMR 8536 CNRS/ENS Cachan

11:00 - 12:30	TAXATION III (ET) Chairperson: Volker Reinthaler, Universitat Pompeu Fabra	Room E497
---------------	--	-----------

OPTIMAL TAXATION IN R&D-BASED GROWTH MODELS

Volker Reinthaler, Universitat Pompeu Fabra
Co-Author(s): Marcus Hagedorn, University of Bonn and Ashok Kaul, Department of Economics, Universitat Pompeu Fabra

OPTIMAL EDUCATIONAL POLICIES AND OPTIMAL INCOME TAXATION

Darío Maldonado, University of Toulouse I, GREMAQ

PROPORTIONAL INCOME TAXATION AND EFFECTIVE PROGRESSIVITY

Udo Ebert, University of Oldenburg
Co-Author(s): Patrick Moyes, CNRS, IDEP and GRAPE

11:00 - 12:30	PRINCIPAL-AGENT MODELS I (ET) Chairperson: Katherine Doornik, Said Business School, Oxford University	Room F12
---------------	---	----------

AUDIT POLICIES AND INFORMATION

Marie-Cécile Fagart, LEI-CREST
Co-Author(s): Bernard Sinclair-Desgagné, CIRANO

CONTRACTS AND INEQUITY AVERSION

Florian Englmaier, University College London
Co-Author(s): Achim Wambach, University of Erlangen-Nuremberg

INCENTIVE CONTRACTS WITH DISPUTE COSTS

Katherine Doornik, Said Business School, Oxford University

11:00 - 12:30

NETWORKS II (ET)

Chairperson: Gergely Csorba

Room F220

**ORGANIZATIONAL STRUCTURE, INFORMATION FLOWS
AND ATTITUDE CHANGE**

João Amaro de Matos, Universidade Nova de Lisboa
Co-Author(s): Luis Almeida Costa, Universidade Nova de Lisboa

**SHAPLEY BARGAINING AND MERGER INCENTIVES IN
NETWORK INDUSTRIES WITH ESSENTIAL FACILITIES**

Seonghoon Jeon, Sogang University

**SECOND-DEGREE PRICE DISCRIMINATION IN THE
PRESENCE OF NETWORK EFFECTS**

Gergely Csorba

11:00 - 12:30

ECONOMIC GEOGRAPHY (ET)

Chairperson: Matthias Ross, University of Hamburg
and Hamburg Institute of International Economics
(HWWA)

Room F289

CHAOS IN THE CORE - PERIPHERY MODEL

Ingrid Kubin, University of Economics and BA, Vienna
Co-Author(s): Martin Currie, University of Manchester

SPATIAL STABILITY

Pascal Mossay, Universidad de Alicante

**THE IMPACT OF INFRASTRUCTURE AND TAXES ON
REGIONAL AGGLOMERATION**

Matthias Ross, University of Hamburg and Hamburg Institute of
International Economics (HWWA)

11:00 - 12:30

CONTRIBUTED SESSIONS

ESEM: Econometrics and Empirical Economics

11:00 - 12:30

EMPIRICAL INDUSTRIAL ORGANISATION II (EC)

Room F299

Chairperson: Jean Bonnet, Université de Caen,
GEMMA

**DOES PRESTIGE MATTER MORE THAN PROFITS?
EVIDENCE FROM ENTREPRENEURIAL CHOICES**

Mariassunta Giannetti, Stockholm School of Economics and
CEPR

Co-Author(s): Andrei Simonov, Stockholm School of Economics

**LAND CONTRACTS AS A TWO-SIDE OCCUPATIONAL
CHOICE: NEW EVIDENCE OF RISK-SHARING IN INDIA**

Tiziana Brancaccio, University College Dublin

**DEBT, AGGRESSIVENESS AND YOUNG FRENCH FIRMS'
SURVIVAL: AN EMPIRICAL INVESTIGATION**

Jean Bonnet, Université de Caen, GEMMA

Co-Author(s): Amel Gharbi-Fessi, EUREQua and Nicolas Le
Pape, Université de Caen, GEMMA

11:00 - 12:30

EXCHANGE RATES: EMPIRICAL II (EC)

Room F315

Chairperson: Ben Tims, Erasmus University
Rotterdam

**HOW DOES THE MONETARY MODEL OF EXCHANGE RATE
DETERMINATION LOOK WHEN IT REALLY WORKS?**

Daniel G. Garces-Diaz, Bank of Mexico

**BAYESIAN CYCLICAL DECOMPOSITIONS OF REAL
EXCHANGE RATES**

Richard Kleijn, Econometric Institute, Erasmus University
Rotterdam

Co-Author(s): Herman K. Van Dijk, Erasmus University
Rotterdam

**A RANGE-BASED MULTIVARIATE MODEL FOR EXCHANGE
RATE VOLATILITY**

Ben Tims, Erasmus University Rotterdam

Co-Author(s): Ronald Mahieu, Erasmus University Rotterdam

11:00 - 12:30

FINANCIAL ECONOMETRICS: EMPIRICAL II (EC)

Room F389

Chairperson: Richard Portes, London Business
School

COUNTRY AND INDUSTRY DYNAMICS IN STOCK RETURNS

Luis Catao, International Monetary Fund

Co-Author(s): Allan Timmerman, University of California, San
Diego

STRATEGIC ASSET ALLOCATION UNDER MULTIVARIATE REGIME SWITCHING

Massimo Guidolin, University of Virginia
Co-Author(s): Allan Timmermann, University of California, San Diego

DEFINING BENCHMARK STATUS: AN APPLICATION USING EURO-AREA BONDS

Richard Portes, London Business School
Co-Author(s): Peter Dunne, Queen's University Belfast and Michael Moore, Queen's University Belfast

11:00 - 12:30	GROWTH: EMPIRICAL II (EC) Chairperson: Andros Kourtellos, University of Cyprus	Room F397
---------------	--	-----------

COAGGLOMERATION AND GROWTH

Luisito Bertinelli, CORE, Université Catholique de Louvain
Co-Author(s): Salvador Barrios, CORE, Université Catholique de Louvain and Eric Strobl, CORE, Université Catholique de Louvain

GEOGRAPHY, INSTITUTIONS, AND DIVERSITY AS FACTORS UNDERLYING HETEROGENEITY: A BAYESIAN TREED REGRESSION APPROACH TO CROSS-COUNTRY DIFFERENCES IN ECONOMIC PERFORMANCE

Chih Ming Tan, University of Wisconsin-Madison

MODELING PARAMETER HETEROGENEITY IN CROSS-COUNTRY GROWTH REGRESSION MODELS

Andros Kourtellos, University of Cyprus

11:00 - 12:30	INFERENCE I (EC) Chairperson: Jan F. Kiviet, University of Amsterdam	Room F413
---------------	--	-----------

GENERALIZED REDUCED RANK TESTS USING THE SINGULAR VALUE DECOMPOSITION

Richard Paap, Erasmus University Rotterdam
Co-Author(s): Frank Kleibergen, University of Amsterdam

THE PROPERTIES OF SOME GOODNESS-OF-FIT TESTS

Gianna Boero, University of Warwick and University of Cagliari
Co-Author(s): Jeremy Smith, University of Warwick and Kenneth Wallis, University of Warwick

THE DEPENDENCE OF TEST SIZE AND POWER ON NUISANCE PARAMETERS IN AUTOREGRESSIVE MODELS

Jan F. Kiviet, University of Amsterdam
Co-Author(s): Jean-Marie Dufour, University of Montreal

11:00 - 12:30	JOB SEARCH (EC) Chairperson: Laurence Rioux, CERC and CREST	Room F420
---------------	---	-----------

A STUDY OF THE AUSTRIAN LABOUR MARKET DYNAMICS USING A MODEL OF SEARCH EQUILIBRIUM

Andrey Launov, Munich University and IZA

TESTING THEORIES OF LABOUR MARKET MATCHING

Richard Upward, University of Nottingham
Co-Author(s): Martyn Andrews, University of Manchester, Steve Bradley, Lancaster University and David Stott, Lancaster University

A STRUCTURAL NON-STATIONARY MODEL OF JOB SEARCH: STIGMATIZATION OF THE UNEMPLOYED BY JOB OFFERS OR WAGE OFFERS?

Laurence Rioux, CERC and CREST
Co-Author(s): Stefan Lollivier, ENSAE

11:00 - 12:30

LONG MEMORY TIME SERIES I (EC)

Room F487

Chairperson: Richard Baillie, Michigan State University and Queen Mary, University of London

TESTING FOR STRUCTURAL CHANGE IN REGRESSION WITH LONG MEMORY PROCESSES

Stepana Lazarova, LSE

TRIMMING AND TAPERING SEMIPARAMETRIC ESTIMATES IN ASYMMETRIC LONG MEMORY TIME SERIES

Josu Arteche, University of the Basque Country
Co-Author(s): Carlos Velasco, Universidad Carlos III

REGRESSION MODEL FITTING WITH A LONG MEMORY COVARIATE PROCESS

Richard Baillie, Michigan State University and Queen Mary, University of London
Co-Author(s): Hira L Koul, Michigan State University and Donatas Surgailis, Institute of Mathematics and Informatics

11:00 - 12:30

MONETARY POLICY TRANSMISSION III (EC)

Room F3154

Chairperson: Oliver Holtemöller, Humboldt-Universität zu Berlin

IS THE DEMAND FOR EURO AREA M3 STABLE?

Anders Warne, European Central Bank
Co-Author(s): Annick Bruggeman, European Central Bank and Paola Donati, European Central Bank

MONETARY POLICY IN TRANSITION: STRUCTURAL ECONOMETRIC MODELLING AND POLICY SIMULATIONS

Wojciech Maliszewski, International Monetary Fund

AGGREGATION OF NATIONAL DATA AND INFORMATION CONTENT OF EURO AREA MONEY DEMAND SYSTEMS FOR MONETARY POLICY PURPOSES

Oliver Holtemöller, Humboldt-Universität zu Berlin

11:00 - 12:30	MORTALITY (EC) Chairperson: Valerie Lechene, University of Oxford	Room D9
---------------	---	---------

CHANGES IN LONGEVITY AND ECONOMIC CONDITIONS

Maarten Lindeboom, Vrije Universiteit Amsterdam
Co-Author(s): France Portrait, Free University of Amsterdam and
Gerard van den Berg, Vrije Universiteit Amsterdam

CHILD MORTALITY IN INDIA

Bas Van der Klaauw, Free University

ON THE IDENTIFICATION OF THE EFFECT OF SMOKING ON MORTALITY

Valerie Lechene, University of Oxford
Co-Author(s): Jerome Adda, University College London

11:00 - 12:30	CONTRIBUTED SESSIONS EEA
---------------	------------------------------------

11:00 - 12:30	POLITICAL ECONOMY III (EEA) Chairperson: Ragnar Torvik, Norwegian University of Science and Technology	Room A5137
---------------	--	------------

ENDOGENOUS CORRUPTION IN ECONOMIC DEVELOPMENT

M Emranul Haque, University of Manchester
Co-Author(s): Keith Blackburn, Centre for Growth and Business Cycle Research,
School of Economic Studies, University of Manchester and Niloy Bose

THE POLITICAL ECONOMY OF PRIVATIZATION

Paolo Pinotti, Univ Pompeu Fabra and FEEM
Co-Author(s): Bernardo Bortolotti, Università di Torino and FEEM

THE POLITICAL ECONOMY OF MARKET AND BANK DOMINANCE

Ernst-Ludwig von Thadden, Université de Lausanne
Co-Author(s): Enrico Perotti, Universiteit van Amsterdam

WHITE ELEPHANTS

Ragnar Torvik, Norwegian University of Science and Technology
Co-Author(s): James Robinson, University of California, Berkeley

11:00 – 12:30	SOCIAL INTERACTIONS (EEA) Chairperson: Harris Selod, INRA and CREST	Room D7
---------------	---	---------

SOCIAL INTERACTIONS IN SCHOOLING

Alfonso Rosolia, Bank of Italy

ANONYMITY IN GIVING IN A NATURAL CONTEXT – AN ECONOMIC FIELD EXPERIMENT IN THIRTY CHURCHES

Adriaan Soetevent, University of Groningen

SOCIAL INTERACTIONS IN UNEMPLOYMENT

Rafael Lalive, Tinbergen Institute

DOES CITY STRUCTURE AFFECT THE LABOR-MARKET OUTCOMES OF BLACK WORKERS?

Harris Selod, INRA and CREST
Co-Author(s): Yves Zenou, University of Southampton

11:00 - 12:30	INDUSTRIAL ORGANISATION IV (EEA) Chairperson: Johan Lagerlof, WZB Berlin	Room C497
---------------	--	-----------

DIVERSITY AS A POTENTIAL FOR SURPRISE. AN INFORMATION THEORETIC MEASURE OF EFFECTIVE PRODUCT DIVERSITY

Stefan Baumgärtner, University of Heidelberg

FREE RIDING IN THE INNOVATION OF NETWORK GOODS

Mikko Mustonen, University of Helsinki

Co-Author(s): Amihai Glazer, University of California in Irvine and Vesa Kanninen, University of Helsinki

MANAGERIAL JOB ASSIGNMENT AND IMPERFECT COMPETITION IN ASYMMETRIC EQUILIBRIUM

Volker Grossmann, University of Zurich

INSISTING ON A NON-NEGATIVE PRICE: OLIGOPOLY, UNCERTAINTY, WELFARE, AND MULTIPLE EQUILIBRIA

Johan Lagerlof, WZB Berlin

11:00 - 12:30	INTERNATIONAL FINANCE 2 (EEA) Chairperson: Yu-Fu Chen, Department of Economics, Dundee University	Room D207
---------------	---	-----------

INTERNATIONAL FINANCIAL INTEGRATION

Philip Lane, Trinity College Dublin

ORIGINAL SIN: THE PAIN, THE MYSTERY, AND THE ROAD TO REDEMPTION

Ugo Panizza, Research Department, Inter-American Development Bank

Co-Author(s): Barry Eichengreen, Department of Economics, University of California, Berkeley and Ricardo Hausmann, Kennedy School of Government, Harvard University

OPTION VALUE, POLICY UNCERTAINTY, AND THE FOREIGN DIRECT INVESTMENT DECISION

Yu-Fu Chen, Department of Economics, Dundee University

Co-Author(s): Michael Funke

11:00 - 12:30	MONETARY POLICY V (EEA) Chairperson: Mark Weder, Humboldt University Berlin	Room B3
---------------	---	---------

IS THE VIEW FROM THE EUROTOWER PURELY EUROPEAN? - NATIONAL DIVERGENCE AND ECB INTEREST RATE POLICY

Felix Huefner, ZEW Mannheim

Co-Author(s): Friedrich Heinemann, ZEW Mannheim

THE ECB'S TWO PILLARS

Stefan Gerlach, Hong Kong Monetary Authority

ADAPTIVE LEARNING AND MONETARY POLICY DESIGN

Seppo Honkapohja, University of Helsinki
Co-Author(s): George W. Evans, University of Oregon

TAYLOR RULES: INTERCEPTING EXPECTATIONS

Mark Weder, Humboldt University Berlin

11:00 - 12:30

BUSINESS CYCLE THEORY II (EEA)

Chairperson: Jordi Galí, CREI and UPF

Room B5

HIGH FREQUENCY SUNSPOTS

Thomas Hintermaier, Institute for Advanced Studies (IHS)

**STRUCTURAL ESTIMATES OF EQUILIBRIUM
UNEMPLOYMENT IN SIX OECD ECONOMIES**

Albert Van der Horst, CPB, Netherlands Bureau of Economic
Policy Analysis

**UNDERSTANDING THE EFFECTS OF GOVERNMENT
SPENDING ON CONSUMPTION**

Jordi Galí, CREI and UPF
Co-Author(s): David Lopes-Salido, Banco de España

11:00 - 12:30

LABOUR MARKETS EMPIRICS (EEA)

Chairperson: Elena Casquel, University Jaume I

Room D220

**WHO WANTS TO BE A 'FONCTIONNAIRE'? THE EFFECTS
OF INDIVIDUAL WAGE DIFFERENTIALS AND
UNEMPLOYMENT PROBABILITIES ON THE QUEUES FOR
PUBLIC SECTOR JOBS**

Julien Pouget, CREST-INSEE
Co-Author(s): Denis Fougere, CREST-INSEE, Paris

**DO FRIENDS AND RELATIVES REALLY HELP GETTING A
GOOD JOB?**

Michele Pellizzari, London School of Economics and CEP

**THE EFFECTS OF LABOR MARKET CONDITIONS AND
FAMILY BACKGROUNDS IN EDUCATIONAL ATTAINMENT
OF SPANISH YOUNGSTERS**

Elena Casquel, University Jaume I

11:00 - 12:30

MIGRATION (EEA)

Chairperson: Christina Gathmann, University of
Chicago

Room D299

**IMMIGRANTS' ECONOMIC PERFORMANCE ACROSS
EUROPE - DOES IMMIGRATION POLICY MATTER?**

Joachim R. Frick, DIW Berlin
Co-Author(s): Felix Büchel, Max Planck Institute for Human
Development, Berlin

**SELF-SELECTION AND THE PERFORMANCE OF RETURN
MIGRANTS: THE CASE OF ALBANIA**

Matloob Piracha, University of Kent

Co-Author(s): Augustin de Coulon, Queen Mary, University of London

MIGRATIONS, INCOME AND SKILLS

Laurent Gobillon, UCL and CREST

Co-Author(s): David Le Blanc, CREST

**HOW DO EXPERTS AFFECT DETERRENCE? EVIDENCE
FROM MIGRANT SMUGGLERS AT THE SOUTHWESTERN
BORDER**

Christina Gathmann, University of Chicago

11:00 - 12:30

MONETARY THEORY I (EEA)

Room D307

Chairperson: Alexei Deviatov, New Economic School

MONEY, WEALTH AND OVERLAPPING GENERATIONS

David Aikman, Bank of England

MONITORING AND THE ACCEPTABILITY OF BANK MONEY

Régis Breton, London School of Economics

**FRIEDMAN MEETS HOSIOS: EFFICIENCY IN SEARCH
MODELS OF MONEY**

Aleksander Berentsen, University of Basel

Co-Author(s): Rocheteau Guillaume, ANU and Shouyong Shi, University of Toronto

MONEY CREATION IN A RANDOM MATCHING MODEL

Alexei Deviatov, New Economic School

11:00 - 12:30

ECONOMICS OF EDUCATION II (EEA)

Room D315

Chairperson: Laura Romero-Valero, Universitat Autònoma de Barcelona

**WHICH SCHOOL SYSTEMS SORT WEAKER STUDENTS
INTO SMALLER CLASSES? INTERNATIONAL EVIDENCE**

Ludger Woessmann, CESifo Munich

Co-Author(s): Martin R. West, Harvard University

FUNDING SCHOOLS FOR GREATER EQUITY

Elena Del Rey, Universitat de Girona, Spain

**SORTING INTO PUBLIC AND PRIVATE SCHOOLS AND
EDUCATION VOUCHERS**

Laura Romero-Valero, Universitat Autònoma de Barcelona

11:00 - 12:30	GROWTH THEORY (EEA) Chairperson: Hans Jørgen Whitta-Jacobsen, University of Copenhagen	Room D320
---------------	---	-----------

POVERTY TRAPS AND BUSINESS CYCLES IN A STOCHASTIC OVERLAPPING GENERATIONS ECONOMY WITH S-SHAPED LAW OF MOTION
 Klaus Reiner Schenk-Hoppé, Institute of Economics, University of Copenhagen

STOCHASTIC ENVIRONMENTAL POLICY, RISK-TAKING, AND GROWTH
 Susanne Soretz, University of Hannover

PROSPERITY, EQUALITY, AND TAXATION
 Hans Jørgen Whitta-Jacobsen, University of Copenhagen
 Co-Author(s): Carl-Johan Dalgaard, University of Copenhagen

11:00 - 12:30	EXPERIMENTAL EVIDENCE ON PRODUCT AND LABOUR MARKETS (EEA) Chairperson: Doron Sonsino, Technion, Israel	Room D397
---------------	--	-----------

THE BEHAVIORAL EFFECTS OF MINIMUM WAGES
 Christian Zehnder, University of Zurich
 Co-Author(s): Armin Falk, University of Zurich and Ernst Fehr, University of Zurich

INPUT VERSUS OUTPUT TAXES IN AN EXPERIMENTAL INTERNATIONAL ECONOMY
 Arno Riedl, CREED, University of Amsterdam
 Co-Author(s): Frans van Winden, CREED, University of Amsterdam

LEARNING BY RANDOM INFORMATION RETRIEVAL – EXPERIMENTAL EVIDENCE ON INTERNET-AUCTIONS
 Doron Sonsino, Technion, Israel
 Co-Author(s): Radosveta Ivanova-Stenzel, Humboldt University, Berlin

11:00 - 12:30	CORPORATE FINANCE II (EEA) Chairperson: Iver Bragelien, Norwegian School of Economics and Business Administration	Room E397
---------------	---	-----------

MERGERS BY PARTIAL ACQUISITIONS
 Tobias Lindqvist, Stockholm University

AGENCY CONFLICTS, OWNERSHIP CONCENTRATION, AND LEGAL SHAREHOLDER PROTECTION
 Mike Burkart, Stockholm School of Economics
 Co-Author(s): Fausto Panunzi, Dipartimento di Scienze Economiche, Università di Bologna

Friday 11:00 – 12:30 + 14:00 – 16:00

ASSET OWNERSHIP AND RELATIONAL CONTRACTS

Iver Bragelien, Norwegian School of Economics and Business
Administration

12:30 - 14:00

LUNCH

14:00 - 16:00

CONTRIBUTED SESSIONS

ESEM: Theoretical and Applied Economics

14:00 - 16:00

LABOUR MARKETS II (ET)

Chairperson: Juan José Dolado, Universidad Carlos
III de Madrid

Room E306

TECHNOLOGY SHOCKS AND JOB FLOWS

Claudio Michelacci, CEMFI Madrid
Co-Author(s): David Lopes-Salido, Banco de España

**UNEMPLOYMENT INSURANCE AND LABOR
REALLOCATION**

Mustafa Ulus, Université Paris I and Galatsaray Universitesi
Co-Author(s): Franck Malherbet, FRDB, CREST-INSEE and
EUREQua - Université Paris I - Panthéon - Sorbonne.

UNIONS: RENT EXTRACTORS OR CREATORS

Vania Sena, University of Leeds
Co-Author(s): Toke Aidt, University of Cambridge

**A MATCHING MODEL OF CROWDING-OUT AND ON-THE-
JOB SEARCH (WITH AN APPLICATION TO SPAIN)**

Juan José Dolado, Universidad Carlos III de Madrid
Co-Author(s): Marcel Jansen, Universidad Carlos III and Juan F.
Jimeno, FEDEA

14:00 - 16:00

INDUSTRIAL ORGANISATION III (ET)

Chairperson: Paul Kattuman, University of
Cambridge

Room E319

**SEQUENTIAL LOCATION WITH ASYMMETRIC
PREFERENCES**

Tore Nilssen, University of Oslo
Co-Author(s): Christian Riis, Norwegian School of Management

SIGNIFICANT DEPARTURES FROM GIBRAT'S PROCESS

Paul Kattuman, University of Cambridge
Co-Author(s): Alex Chirmiciu, University of Cambridge

14:00 - 16:00	POLITICAL ECONOMY II (ET) Chairperson: Carl Andreas Claussen, Norges Bank	Room E413
---------------	---	-----------

**ENDOGENOUS SOCIAL PREFERENCES, WORK NORMS
AND REDISTRIBUTION**

Matteo Cervellati, UPF, Barcelona and University of Bologna
Co-Author(s): Joan Maria Esteban, Institut de Analisi Economico
and Universitat Pompeu Fabra

**LAW ENFORCEMENT, FISCAL RESPONSIBILITY, AND
ECONOMIC DEVELOPMENT**

Erik Berglof, SITE

LOCAL PUBLIC GOOD PROVISION

Klaas Staal, Tinbergen Institute Rotterdam
Co-Author(s): Robert Dur, Tinbergen Institute, Erasmus
University

MAJORITY VOTING LEADS TO UNANIMITY

Carl Andreas Claussen, Norges Bank
Co-Author(s): Geir B. Asheim, Department of Economics,
University of Oslo and Tore Nilssen, University of Oslo

14:00 - 16:00	AUCTIONS III (ET) Chairperson: Veronika Grimm, Humboldt University at Berlin	Room E487
---------------	---	-----------

PRIVATE INFORMATION IN REPEATED AUCTIONS

Julian Jamison, MEDS, Northwestern University
Co-Author(s): Johannes Horner, MEDS, Northwestern University

PRIVATE MONITORING IN AUCTIONS

Paul Heidhues, Wissenschaftszentrum Berlin für
Sozialforschung
Co-Author(s): Andreas Blume, University of Pittsburgh

SPECULATION IN FIRST-PRICE AUCTIONS WITH RESALE

Thomas Troger, University of California, Santa Barbara

**ON PROCUREMENT AUCTIONS OF COMPLEMENTARY
GOODS**

Veronika Grimm, Humboldt University at Berlin

14:00 - 16:00	GROWTH AND DEVELOPMENT II (ET) Chairperson: Paul de Hek, Erasmus University Rotterdam	Room E497
---------------	--	-----------

**ENDOGENOUS FINANCIAL DEVELOPMENT AND MULTIPLE
GROWTH REGIMES**

Leo Kaas, University of Vienna
Co-Author(s): Costas Azariadis

**FINANCIAL INSTITUTIONS AND WEALTH OF NATIONS:
GROWTH AND CYCLES**

Jian Tong, University of Southampton

Co-Author(s): Chenggang Xu, London School of Economics

**ON RAMSEY'S CONJECTURE: EFFICIENT ALLOCATIONS
IN THE NEOCLASSICAL GROWTH MODEL WITH PRIVATE
INFORMATION**

Emilio Espino, Institute for Advanced Studies

**UNCERTAIN TECHNOLOGICAL CHANGE UNDER CAPITAL
MOBILITY**

Paul de Hek, Erasmus University Rotterdam

14:00 - 16:00

MONETARY POLICY II (ET)

Room F12

Chairperson: Andrew Filardo, Bank for International
Settlements

**ON THE RELEVANCE OF OPEN MARKET OPERATIONS
FOR MONETARY TRANSMISSION AND EQUILIBRIUM
DETERMINACY**

Andreas Schabert, University of Cologne

**POLICY INTERACTION, EXPECTATIONS AND THE
LIQUIDITY TRAP**

Seppo Honkapohja, University of Helsinki

Co-Author(s): George W. Evans, University of Oregon

**RECESSION AVERSION, OUTPUT AND THE KYDLAND-
PRESCOTT BARRO-GORDON MODEL**

Stefan Gerlach, Hong Kong Monetary Authority

**SHOULD MONETARY AUTHORITIES PRICK ASSET PRICE
BUBBLES?**

Andrew Filardo, Bank for International Settlements

14:00 - 16:00

WELFARE ECONOMICS (ET)

Room F220

Chairperson: Andrés Carvajal, Banco de la
República, Colombia

**A GENERAL APPROACH TO WELFARE MEASUREMENT
THROUGH NATIONAL INCOME ACCOUNTING**

Geir B. Asheim, Department of Economics, University of Oslo

Co-Author(s): Wolfgang Buchholz, Department of Economics,
University of Regensburg

**INDIVIDUALLY RATIONAL COLLECTIVE CHOICE UNDER
RANDOM PREFERENCES**

Andrés Carvajal, Banco de la República, Colombia

**MEASURING THE STANDARD OF LIVING: UNCERTAINTY
ABOUT ITS DEVELOPMENT**

Wulf Gaertner, University of Osnabrueck

Co-Author(s): Yongsheng Xu, Georgia State University

14:00 - 16:00

CONTRIBUTED SESSIONS

ESEM: Econometrics and Empirical Economics

14:00 - 16:00

BUSINESS CYCLES: EMPIRICAL III (EC)

Chairperson: Herman Bierens, Pennsylvania State University

Room F289

TECHNOLOGY SHOCKS AND AGGREGATE FLUCTUATIONS

Jesper Lindé, Sveriges Riksbank

Co-Author(s): David Altig, Federal Reserve Bank of Cleveland, Lawrence Christiano, Northwestern University and Martin Eichenbaum, Northwestern University

LABOR MARKET FRICTIONS AND ENDOGENOUS BUSINESS CYCLE PROPAGATION

Steven Ambler, Université du Québec à Montréal

Co-Author(s): Alain Guay, Université du Québec à Montréal and Louis Phaneuf, University of Quebec à Montreal

HOW ASYMMETRIC ARE REGIONAL SHOCKS? THE CASE OF CHINESE PROVINCES

Xinpeng Xu, Hong Kong Polytechnic University and Australian National University

ECONOMETRIC ANALYSIS OF SINGULAR DYNAMIC STOCHASTIC GENERAL EQUILIBRIUM MODELS, WITH AN APPLICATION TO THE KING-PLOSSER-REBELO STOCHASTIC GROWTH MODEL

Herman Bierens, Pennsylvania State University

14:00 - 16:00

DEMAND ANALYSIS (EC)

Chairperson: Richard Blundell, University College London

Room D7

A LINEAR DEMAND SYSTEM WITHIN A SEEMINGLY UNRELATED TIME SERIES FRAMEWORK

Terje Skjerpen, Statistics Norway, Research Department

Co-Author(s): Arvid Raknerud, Statistics Norway, Research Department and Anders Rygh Swensen, University of Oslo, Department of Mathematics

SAVING AND HABIT FORMATION: EVIDENCE FROM DUTCH PANEL DATA

Federica Teppa, CeRP

Co-Author(s): Rob Alessie, Utrecht School of Economics

ATTRIBUTE CHOICES AND ESTIMATION OF DEMAND PARAMETERS

Patrick Feve, University of Toulouse (Gremaq and IDEI)
Co-Author(s): Frédérique Feve, University of Toulouse (Gremaq and IDEI) and Jean-Pierre Florens, University of Toulouse (IUF, Gremaq and IDEI)

IMPROVING REVEALED PREFERENCE BOUNDS ON DEMAND RESPONSES

Richard Blundell, University College London
Co-Author(s): Martin Browning, Kobenhavn Universitet and Ian Crawford, Institute for Fiscal Studies

14:00 - 16:00

ESTIMATION I (EC)

Room F299

Chairperson: Werner Ploberger, University of Rochester

ANOTHER LOOK AT THE ESTIMATION OF DYNAMIC PROGRAMMING MODELS WITH CENSORED DECISION VARIABLES

Rocio Sanchez-Mangas, Universidad Carlos III de Madrid

FINITE SAMPLE THEORY OF MLES IN ARCH-(M) MODELS WITH DYNAMICS IN THE MEAN EQUATION, AND EXOGENOUS VARIABLES IN THE CONDITIONAL VARIANCE EQUATION

Emma Iglesias, University of Exeter
Co-Author(s): Garry D. A. Phillips, Cardiff University

IMPROVING FINITE SAMPLE CONFIDENCE INTERVALS FOR WELFARE MEASURES USING EMPIRICAL SADDLEPOINT APPROXIMATIONS

Christian Schluter, University of Southampton

BEST EMPIRICAL MODELS WHEN THE PARAMETER STATE IS INFINITE-DIMENSIONAL

Werner Ploberger, University of Rochester
Co-Author(s): Peter C. B. Phillips, Yale Univ

14:00 - 16:00

FORECASTING II (EC)

Room F315

Chairperson: Gary Koop, University of Glasgow

INCORPORATING PRIOR STOCHASTIC INFORMATION INTO ESTIMATION AND FORECASTING

Harry Haupt, University of Regensburg, Department of Economics and Econometrics
Co-Author(s): Walter Oberhofer, University of Regensburg, Department of Economics and Econometrics

AGGREGATION ANALYSIS IN EMPIRICAL MULTIVARIATE DYNAMIC MODELS

Giacomo Sbrana, University of Southampton

TESTS OF CONDITIONAL PREDICTIVE ABILITY

Raffaella Giacomini, University of California, San Diego
Co-Author(s): Halbert White, University of California, San Diego

**FORECASTING IN LARGE MACROECONOMIC PANELS
USING BAYESIAN MODEL AVERAGING**

Gary Koop, University of Glasgow
Co-Author(s): Simon Potter, Federal Reserve Bank of New York

14:00 - 16:00

INEQUALITY (EC)

Room F389

Chairperson: Nicoletta Rosati, Technical University
of Lisbon

**MODELING HEALTH PRODUCTION FUNCTION AND
DECOMPOSING HEALTH INEQUALITIES BASED ON
SEMIPARAMETRIC QUANTILE REGRESSION APPROACH**

Yiguo Sun, Department of Economics, University of Guelph

**EXPLAINING WAGE GROWTH AND THE EVOLUTION OF
INEQUALITY DURING TRANSITION: A DYNAMIC GENERAL
EQUILIBRIUM MODEL OF THE EAST GERMAN LABOR
MARKET**

Christina Gathmann, University of Chicago

**CROSS-NATIONAL TRENDS IN EARNINGS INSTABILITY
AND EARNINGS INEQUALITY**

Robert Valletta, Federal Reserve Bank of San Francisco
Co-Author(s): Mary Daly, Federal Reserve Bank of San
Francisco

**HOW HAS ECONOMIC INEQUALITY EVOLVED OVER THE
PAST TWO DECADES? A LOOK AT THE ITALIAN
EXPERIENCE.**

Nicoletta Rosati, Technical University of Lisbon

14:00 - 16:00

LABOUR SUPPLY I (EC)

Room F397

Chairperson: David Margolis, INSEE-CREST

**THE END OF MANDATORY RETIREMENT IN THE US:
EFFECTS ON RETIREMENT AND IMPLICIT CONTRACTS**

Till von Wachter, UC Berkeley

JOINT LABOR SUPPLY DYNAMICS OF OLDER COUPLES

Pierre-Carl Michaud, Tilburg University

**THE TIMING OF RETIREMENT AND SOCIAL SECURITY
REFORMS: MEASURING INDIVIDUAL WELFARE CHANGES**

Marten Palme, Department of Economics, Stockholm University
Co-Author(s): Anders Karlstrom, Systems Analysis and
Economics, Royal Institute of Technology and Ingemar
Svensson, National Social Insurance Board

A MULTIPLE-STATE NON-STATIONARY MODEL OF WELFARE EXIT

David Margolis, INSEE-CREST

Co-Author(s): Marc Gurgand, CNRS-CEE, INSEE-CREST

14:00 - 16:00

NONLINEAR TIME SERIES (EC)

Chairperson: Frédérique Bec, CREST-ENSAE

Room F413

CHOOSING LAG LENGTHS IN NONLINEAR DYNAMIC MODELS

Heather M. Anderson, Dept of Business and Economic Statistics, Monash University, Victoria, Australia

THE BI-PARAMETER SMOOTH TRANSITION AUTOREGRESSIVE MODEL

Boriss Siliverstovs, DIW Berlin

THRESHOLD INTEGRATED MOVING AVERAGE MODELS (DOES SIZE MATTER? MAYBE SO)

Oscar Martinez, Universidad Carlos III de Madrid

Co-Author(s): Jesus Gonzalo, University Carlos III de Madrid

VECTOR EQUILIBRIUM CORRECTION MODELS WITH NONLINEAR DISCONTINUOUS ADJUSTMENTS

Frédérique Bec, CREST-ENSAE

14:00 - 16:00

SIMULATION BASED ESTIMATION (EC)

Chairperson: Herman K. Van Dijk, Erasmus University Rotterdam

Room F420

ESTIMATION AND COMPARISON OF TREASURY AUCTION FORMAT WHEN BIDDERS ARE ASSYMETRIC

Erwann Sbai, ECARES (ULB) - GREMAQ (Toulouse)

Co-Author(s): Olivier Armandier, SUNY Stony Brook

ESTIMATING NONLINEAR DYNAMIC EQUILIBRIUM ECONOMIES: A LIKELIHOOD APPROACH.

Juan F Rubio-Ramirez, Federal Reserve Bank of Atlanta

Co-Author(s): Fernandez-Villaverde Jesus, University of Pennsylvania

HABIT FORMATION IN CONSUMPTION: ESTIMATION RESULTS FOR THE U.S. AND THE EURO AREA

Kai Christoffel, Goethe University, Frankfurt

FUNCTIONAL APPROXIMATIONS TO POSTERIOR DENSITIES: A NEURAL NETWORK APPROACH TO EFFICIENT SAMPLING

Herman K. Van Dijk, Erasmus University Rotterdam

Co-Author(s): Lennart Hoogerheide, Erasmus University Rotterdam and Johan F. Kaashoek, Erasmus University Rotterdam

14:00 - 16:00

CONTRIBUTED SESSIONS
EEA

14:00 - 16:00

POLITICAL ECONOMY IV (EEA)

Room A5137

Chairperson: Santiago Sanchez-Pages, Universitat Autònoma de Barcelona

THE ROLE OF FREEDOM, GROWTH AND RELIGION IN THE TASTE FOR REVOLUTION

Silvia Pezzini, STICERD, London School of Economics
Co-Author(s): Robert MacCulloch, Princeton University

THE ALLOCATION OF COMPETENCIES IN AN INTERNATIONAL UNION: A POSITIVE ANALYSIS

Michele Ruta, Columbia University

OUTSOURCING, MARKET STRUCTURE AND ELECTIONS

Christian Schultz, Institute of Economics, University of Copenhagen
Co-Author(s): Morten Børgesen, Copenhagen Business School

WHEN DOES UNIVERSAL PEACE PREVAIL? SECESSION AND GROUP FORMATION IN RENT-SEEKING CONTESTS AND POLICY CONFLICTS

Santiago Sanchez-Pages, Universitat Autònoma de Barcelona
Co-Author(s): Francis Bloch, GREQAM, Marseille and Raphael Soubeyran, GREQAM

14:00 - 16:00

EXCHANGE RATES II (EEA)

Room C497

Chairperson: Federico Ravenna, University of California, Santa Cruz

EXCHANGE RATE POLICY WITH FINANCIAL-SECTOR FRAGILITY AND CURRENCY RISK PREMIA

Demosthenes Tambakis, University of Cambridge

ESTIMATION OF THE EQUILIBRIUM REAL EXCHANGE RATE FOR SOUTH AFRICA

Luca Ricci, International Monetary Fund
Co-Author(s): Ronald MacDonald, University of Strathclyde

EXCHANGE RATE DETERMINATION AND THE EMPIRICAL PERFORMANCE OF THE ASSET MARKET MODEL

Roderick McCrorie, Queen Mary, University of London
Co-Author(s): Marcus J. Chambers, University of Essex

14:00 - 16:00

EMPIRICAL INDUSTRIAL ORGANIZATION (EEA)

Room D207

Chairperson: Sylvie Montout, TEAM, University of Paris 1 and CNRS

**STRATEGIC INVESTMENT AND BARGAINING POWER IN
SUPPLY CHAINS - A SHAPLEY VALUE ANALYSIS OF THE
EURASIAN GAS MARKET**

Franz Hubert, Humboldt University Berlin

Co-Author(s): Svetlana Ikonnikova, Higher School of Economics

**THE IMPACT OF RESEARCH AND DEVELOPMENT
SPILLOVERS ON UK MANUFACTURING TFP**

Dolores Añon Higon, University of Warwick

**THE SLOWDOWN IN TURNAROUND TIMES OF ACADEMIC
JOURNALS: CAN IT BE BENEFICIAL?**

Ofer Azar, Northwestern University

**DOES NORTH-SOUTH INTEGRATION AFFECT
MULTINATIONAL FIRMS' STRATEGIES?**

Sylvie Montout, TEAM, University of Paris 1 and CNRS

Co-Author(s): Habib Zitouna, TEAM, University of Paris 1 and
CNRS

14:00 - 16:00

**MONETARY ECONOMICS: EMPIRICAL
EVIDENCE (EEA)**

Room D220

Chairperson: Vincent Bignon, University of
Pennsylvania and Ecole Polytechnique

**A MONTHLY MONETARY MODEL WITH BANKING
INTERMEDIATION FOR THE EURO AREA**

Marie Donnay, Catholic University of Leuven

Co-Author(s): Annick Bruggeman, European Central Bank

**EMU AND THE TRANSMISSION OF MONETARY POLICY:
EVIDENCE FROM BUSINESS LENDING RATES**

Boris Hofmann, ZEI, University of Bonn

**CHANGING EFFECTS OF MONETARY POLICY IN THE US –
EVIDENCE FROM A TIME-VARYING COEFFICIENTS VAR**

Christian Melzer, University of Bonn

Co-Author(s): Florian Höppner, Federal Ministry of Economics
and Labour

**SMOKING OR TRADING? ON CIGARETTE MONEY IN POST
WW II GERMANY**

Vincent Bignon, University of Pennsylvania and Ecole
Polytechnique

14:00 - 16:00	INVESTMENT II (EEA) Chairperson: Svetlana Boyarchenko, University of Texas at Austin	Room D299
---------------	--	-----------

DETERMINANTS OF LARGE REAL INVESTMENTS

Mats Bergman, Uppsala University
 Co-Author(s): Per Johansson, IFAU and Dept. of Economics, Uppsala University

FINANCING CONSTRAINTS, IRREVERSIBILITY AND INVESTMENT DYNAMICS

Andrea Caggese, Pompeu Fabra University

FROM FINANCIAL CONSTRAINTS TO INVESTMENT

Carmelo Salleo, Bank of Italy

IRREVERSIBLE DECISIONS AND THE ROLE OF RECORD SETTING PAYOFFS

Svetlana Boyarchenko, University of Texas at Austin

14:00 - 16:00	CONSUMPTION I (EEA) Chairperson: Thijs van Rens, Princeton University	Room D307
---------------	---	-----------

BUFFER STOCK SAVING AND HABIT FORMATION

Alex Michaelides, London School of Economics

UK CONSUMER HABITS

Ryan Banerjee, Bank of England
 Co-Author(s): Nicoletta Batini, Bank of England

INEQUALITY OVER THE BUSINESS CYCLE: ESTIMATING INCOME RISK USING MICRO-DATA ON CONSUMPTION

Thijs van Rens, Princeton University
 Co-Author(s): Giorgio Primiceri, Princeton University

14:00 - 16:00	GAME THEORY I (EEA) Chairperson: Arne Schollaert, SHERPPA, Ghent University	Room D315
---------------	---	-----------

COALITION FORMATION IN A CONTEST GAME WITH THREE HETEROGENEOUS PLAYERS

Marc Vorsatz, Universitat Autònoma de Barcelona

ESCALATION AND DELAY IN PROTRACTED INTERNATIONAL CONFLICTS

Aviad Heifetz, Tel Aviv University
 Co-Author(s): Ella Segev, Faculty of Management, Tel Aviv University

ON THE OPTIMAL DESIGN OF UNFAIR CONTESTS

Markus Walzl, RWTH Aachen
 Co-Author(s): Eberhard Feess, RWTH Aachen and Gerd Muehlheusser, European University Institute

TRUST, PRIMARY COMMODITY DEPENDENCE AND SEGREGATION

Arne Schollaert, SHERPPA, Ghent University
Co-Author(s): Dirk Van de gaer, SHERPPA, Ghent University

14:00 - 16:00

LABOUR MARKET DYNAMICS (EEA)

Room D320

Chairperson: Marko Terviö, MIT

UNEMPLOYMENT EQUILIBRIUM AND ON-THE-JOB SEARCH

Helene Turon, University of Bristol and IZA
Co-Author(s): Simon Burgess, University of Bristol

TIME OUT OF WORK AND SKILL DEPRECIATION

Magnus Gustavsson, Uppsala University
Co-Author(s): Per-Anders Edin, Uppsala University

LAZEAR'S STOCHASTIC INTERPRETATION OF THE PETER PRINCIPLE: AN EMPIRICAL EXAMINATION BASED ON NBA-DATA

Alexander Dilger, University of Vienna

MEDIOCRITY IN TALENT MARKETS

Marko Terviö, MIT

14:00 - 16:00

TAX POLICY (EEA)

Room D397

Chairperson: Panos Hatzipanayotou, Athens
University of Economics and Business

PROPERTY TAXATION AS INCENTIVE FOR COST CONTROL: EMPIRICAL EVIDENCE FOR UTILITY SERVICES IN NORWAY

Lars-Erik Borge, Norwegian University of Science and Technology
Co-Author(s): Jørn Rattsø, Norwegian University of Science and Technology

TAXATION OF A VENTURE CAPITALIST WITH A PORTFOLIO OF FIRMS

Christian Keuschnigg, University of St. Gallen

OPTIMAL TAX POLICIES WITH PRIVATE-PUBLIC CLEAN-UP, CROSS-BORDER POLLUTION AND CAPITAL MOBILITY

Panos Hatzipanayotou, Athens University of Economics and Business

Co-Author(s): Costas Hadjiyiannis, University of Cyprus and Michael Michael, University of Cyprus

14:00 - 16:00

REGULATION II (EEA)

Room B3

Chairperson: David Martimort, Institut d'Economie Industrielle (IDEI)

AN ECONOMETRIC ANALYSIS OF THE EUROPEAN COMMISSION'S MERGER DECISIONS

Maria Jakobsson, Stockholm University

Co-Author(s): Mats Bergman, Uppsala University and Carlos Razo, Stockholm University

DIVESTITURES AND THE SCREENING OF EFFICIENCY GAINS IN MERGER CONTROL

Aldo Gonzalez, GREMAQ, Universite de Toulouse

FUNDING UNIVERSAL SERVICE OBLIGATIONS WITH AN ESSENTIAL FACILITY: ACCESS CHARGES VS. TAXES

Michel Roland, Departement of Economics, Université Laval

Co-Author(s): Charles Madet, GREEN, Département d'Economie, Université Laval, François Mirabel, CREDEN, Université de Montpellier I, and Jean-Christophe Poudou, CREDEN, Université de Montpellier I

THE BENEFITS OF EXTENDED LIABILITY

David Martimort, Institut d'Economie Industrielle (IDEI)

Co-Author(s): Yolande Hiriart, Université de Toulouse (LEERNA-IDEI)

14:00 - 16:00

INTERNATIONAL TRADE II (EEA)

Room E397

Chairperson: Mattias Busse, HWWA - Hamburg
Institute of International Economics

OPTIMAL DUTCH DISEASE

Egil Matsen, Norwegian University of Science and Technology

Co-Author(s): Ragnar Torvik, Norwegian University of Science and Technology

TRADE, FINANCE, SPECIALIZATION AND SYNCHRONIZATION

Jean Imbs, London Business School

A GENERAL MODEL OF FAIR WAGES IN AN OPEN ECONOMY

Udo Kreickemeier, University of Nottingham

Co-Author(s): Steffi Schoenwald, University of Mainz

FDI, TRADE AND CHILD LABOUR

Mattias Busse, HWWA, Hamburg Institute of International Economics

Co-Author(s): Sebastian Braun, HWWA, Hamburg Institute of International Economics

14:00 - 16:00

EMPIRICAL MACROECONOMICS II (EEA)

Room F3154

Chairperson: Andrea Mangàni, Department of Economics, Siena

A JOINT ECONOMETRIC MODEL OF MACROECONOMIC AND TERM STRUCTURE DYNAMICS

David Vestin, European Central Bank

Co-Author(s): Peter Hoerdahl, European Central Bank and

Oreste Tristani, European Central Bank

THE EXCESS SENSITIVITY OF LONG-TERM INTEREST RATES: EVIDENCE AND IMPLICATIONS FOR MACROECONOMIC MODELS

Eric Swanson, Federal Reserve Board

Co-Author(s): Refet Gurkaynak, Federal Reserve Board and

Brian Sack, Federal Reserve Board

MACRO FACTORS AND THE TERM STRUCTURE OF INTEREST RATES

Hans Dewachter, Catholic University of Leuven and Erasmus University Rotterdam

Co-Author(s): Marco Lyrio, Catholic University Leuven

PRODUCT VARIETY, INTERNATIONAL TRADEMARKS, AND ECONOMIC GROWTH

Andrea Mangàni, Department of Economics, Siena

Co-Author(s): Davide Di Laurea, Istat

14:00 - 16:00

FINANCIAL MARKETS II (EEA)

Room B5

Chairperson: Kevin Moran, Bank of Canada

INVESTMENT BANK COMPENSATION IN VENTURE AND NON-VENTURE CAPITAL BACKED IPOs

Björn Bartling, University of Munich

Co-Author(s): Andreas Park, University of Cambridge

THE STRATEGY OF PROFESSIONAL FORECASTING

Marco Ottaviani, London Business School

DEFAULT RISK WITH DOLLARIZED LIABILITIES

Cristina Arellano, Duke University

LIMITED PARTICIPATION AND COSTLY SEARCH IN FINANCIAL MARKETS

Kevin Moran, Bank of Canada

Co-Author(s): Scott Hendry, Bank of Canada

14:00 - 16:00	ECONOMIC THEORY (EEA) Chairperson: Wendelin Schnedler, CMPO University of Bristol and IZA	Room B4
---------------	---	---------

INCOMMENSURABILITY AND THE FIRST FUNDAMENTAL WELFARE THEOREM

Mozaffar Qizilbash, University of East Anglia

NOTE ON LOCAL AND GLOBAL STABILITY OF THE INDETERMINATE STEADY STATES

Sergey Slobodyan, CERGE-EI

THE ORGANIZATION OF PRODUCTION, CONSUMPTION, AND LEARNING

Birgit Grodal, University of Copenhagen

Co-Author(s): Bryan Ellickson, UCLA, Suzanne Scotchmer, UC Berkeley and William Zame, UCLA

AIN'T NO SUNSHINE WHEN SHE'S GONE: NON-CONTRACTIBLE ACTIONS WITH FUTURE CONSEQUENCES

Wendelin Schnedler, CMPO University of Bristol and IZA

Co-Author(s): Uwe Sunde, IZA and Bonn University

14:00 - 16:00	GROWTH AND TECHNOLOGY II (EEA) Chairperson: Areendam Chanda, North Carolina State University	Room F487
---------------	--	-----------

DISTANCE TO FRONTIER, SELECTION, AND ECONOMIC GROWTH

Fabrizio Zilibotti, University College London

MEASURING KNOWLEDGE STOCKS: A PROCESS OF CREATIVE DESTRUCTION

Jürgen Bitzer, DIW Berlin

DETERMINANTS OF LONG-TERM GROWTH: A BAYESIAN AVERAGING OF CLASSICAL ESTIMATES (BACE) APPROACH

Gernot Doppelhofer, University of Cambridge

Co-Author(s): Ronald I. Miller, National Economic Research Associates and Xavier Sala-i-Martin, Columbia University

DUAL ECONOMIES AND INTERNATIONAL TFP DIFFERENCES.

Areendam Chanda, North Carolina State University

Co-Author(s): Carl-Johan Dalgaard, University of Copenhagen

14:00 - 16:00	BANKING III (EEA) Chairperson: Panicos Demetriades, University of Leicester	Room D8
---------------	---	---------

COSTS AND BENEFITS OF CAPITAL ADEQUACY REGULATION IN A BANKING SYSTEM

Martin Summer, Oesterreichische Nationalbank
 Co-Author(s): Jurgen Eichberger, Heidelberg University

REGULATORY COMPETITION AND MULTI-NATIONAL BANKING

Dag Morten Dalen, Norwegian School of Management
 Co-Author(s): Trond E. Olsen, Norwegian School of Economics and Business Administration

STATE BANKS, INSTITUTIONS AND FINANCIAL DEVELOPMENT

Panicos Demetriades, University of Leicester
 Co-Author(s): Svetlana Andrianova, University of Loughborough and Anja Shortland, University of Leicester

14:00 - 16:00	GAME THEORY III (EEA) Chairperson: Olivier Tercieux, EUREQua, Université de Paris 1 - Panthéon Sorbonne	Room F11
---------------	---	----------

AN ALTERNATIVE APPROACH TO EXPLAINING BARGAINING BEHAVIOR IN SIMPLE SEQUENTIAL GAMES

Joachim Weimann, University of Magdeburg
 Co-Author(s): Atanasios Mitropoulos, West LB and Chun-Lei Yang, Academia Sinica

A PRISONER'S DILEMMA TARIFF SETTING GAME WITH AN ESCAPE CLAUSE

Mathias Herzing, Institute for International Economic Studies, Stockholm University

EQUILIBRIA IN A DYNAMIC GLOBAL GAME: THE ROLE OF COHORT EFFECTS

Nicolas Melissas, University of Leicester
 Co-Author(s): Paul Heidhues, Wissenschaftszentrum Berlin für Sozialforschung

ON THE ROBUSTNESS OF EQUILIBRIA TO INCOMPLETE INFORMATION

Olivier Tercieux, EUREQua, Université de Paris 1 - Panthéon Sorbonne

14:00 - 16:00	FINANCIAL CRISES (EEA) Chairperson: Volker Karb, University of Bayreuth, Germany	Room D9
---------------	---	---------

**CREDIT CONSTRAINTS, FINANCIAL LIBERALISATION AND
TWIN CRISES**

Haibin Zhu, Bank for International Settlements

THE OTHER TWINS: CURRENCY AND DEBT CRISES

Volker Karb, University of Bayreuth, Germany

Co-Author(s): Christan Bauer, University of Bayreuth and
Bernhard Herz, University of Bayreuth

**THE CREDIBILITY OF PRIVATE SECTOR INVOLVEMENT IN
THE RESOLUTION OF FINANCIAL CRISES**

Peter Tillmann, University of Bonn

SHORT-TERM DEBT AND CRISES

Antonio Spilimbergo, International Monetary Fund

Co-Author(s): Enrica Detragiache, International Monetary Fund

16:00 - 16:30	REFRESHMENTS
---------------	---------------------

16:30 - 18:00	YRJÖ JAHNSSON AWARD CEREMONY AND SCHUMPETER LECTURE (EEA)	Room Aula Magna
---------------	--	-----------------

Chairperson: Torsten Persson, Stockholm University

PAYING POLITICIANS

Tim Besley, London School of Economics

19:30	OPTIONAL SOCIAL EVENT: DINNER CRUISE
-------	---

SATURDAY 23RD AUGUST 2003

09:00 - 10:30

INVITED SESSIONS

ESEM: Theoretical and Applied Economics

09:00 - 10:30

**INVITED SESSION IN THEORETICAL AND
APPLIED ECONOMICS III (ET)**

Room C6

Chairperson: Jacques Crémer, University of
Toulouse (Gremaq and IDEI)

**REVEALED PREFERENCES, CHANGING TASTES AND
SELF-CONTROL**

Faruk Gul, Princeton University
Discussant(s): Jorgen Weibull, Boston University

09:00 - 10:30

INVITED SESSIONS

ESEM: Econometrics and Empirical Economics

09:00 - 10:30

**INVITED SESSION IN ECONOMETRICS AND
EMPIRICAL ECONOMICS III (EC)**

Room E10

Chairperson: Gabriele Fiorentini, University of
Florence

SEMIPARAMETRIC ESTIMATION OF ARCH MODELS

Oliver Linton, London School of Economics
Discussant(s): Eric Renault, Université de Montreal
Co-Author(s): E. Mammen, Ruprecht-Karls-Universitat
Heidelberg

09:00 - 10:30

INVITED SESSIONS

EEA

09:00 - 10:30

**INSTITUTIONS, INNOVATION AND GROWTH
(EEA)**

Room A2

Chairperson: Philippe Aghion, University College
London and Rachel Griffith, Institute for Fiscal
Studies

INCENTIVES AND INVENTION IN UNIVERSITIES

Mark Schankerman, London School of Economics
Co-Author(s): Saul Lach, Hebrew University of Jerusalem

**DISTANCE TO FRONTIER, COMPANY INVESTMENT AND
SOURCE OF FINANCE**

Ioanna Marinescu, ENS

Co-Author(s): Steve Bond, University of Oxford and Alex Klemm,
Institute for Fiscal Studies London

**FOREIGN ENTRY, PRODUCTIVITY AND INCUMBENT
INNOVATION**

Susanne Prantl, Institute for Fiscal Studies and University
College London

Co-Author(s): Philippe Aghion, University College London,
Richard Blundell, University College London and Rachel Griffith,
Institute for Fiscal Studies

**VERTICAL INTEGRATION, HOLDUP AND TECHNOLOGY:
WHAT DO WE LEARN FROM MICRO DATA?**

Rachel Griffith, Institute for Fiscal Studies

Co-Author(s): Daron Acemoglu, Massachusetts Institute of
Technology, Philippe Aghion, University College London and
Fabrizio Zilibotti, University College London

09:00 - 10:30

**FEMALE LABOUR FORCE PARTICIPATION IN
EUROPE (EEA)**

Room B4

Chairperson: Pietro Garibaldi, Università
Commerciale Luigi Bocconi and Chris Pissarides,
London School of Economics

WHAT JOBS DO WOMEN HOLD IN THE EU

Barbara Petrongolo, London School of Economics

TRAINING IN EUROPE

Alison Booth, Australian National University

Co-Author(s): Wiji Arulampalam, University of Warwick and Mark
Bryan, University of Essex

**FEMALE PARTICIPATION AND IRREVERSIBLE ENTRY
COSTS**

Pietro Garibaldi, Università Commerciale Luigi Bocconi

Co-Author(s): Etienne Wasmer, ECARES - ULB

09:00 - 10:30

**RECENT DEVELOPMENTS IN EMPIRICAL IO
(EEA)**

Room D8

Chairperson: Aviv Nevo, University of California
Berkeley

COMBINATION BIDDING IN MULTI-UNIT AUCTIONS

Estelle Cantillon, Harvard Business School and CEPR

Co-Author(s): Martin Pesendorfer, London School of Economics

**ESTIMATING PRICE-COST MARKUPS UNDER NONLINEAR
PRICING COMPETITION**

Eugenio Miravete, University of Pennsylvania

Co-Author(s): Lars-Hendrick Roller, WZB

**MEASURING THE IMPLICATIONS OF SALES AND
CONSUMER STOCKPILING BEHAVIOR**

Aviv Nevo, University of California Berkeley

Co-Author(s): Igal Hendel, University of Wisconsin

09:00 - 10:30

EUROPEAN ENLARGEMENT (EEA)

Room F11

Chairperson: Erik Berglof, SITE

EUROPEAN ENLARGEMENT

Fabrizio Coricelli, University of Siena and László Halpern,
Institute of Economics, HAS; CEPR; WDI and CEU and Dalia
Marin, University of Munich

10:30 - 12:30

EEA POSTER SESSION 4

10:30 - 12:30

WAGE STRUCTURES (EEA)

Poster Area P1

Organizer: Bernd Fitzenberger, University of
Mannheim

**INTEGRATING WAGE BARGAINING INTO AN EFFICIENCY
WAGE MODEL**

Bernd Fitzenberger, University of Mannheim

Co-Author(s): Martin Beck, ZEW and Deutsche Bundesbank and
Thiess Buettner, ZEW and University of Mannheim

**THE RATIONALE FOR WAGE RIGIDITY: SURVEY EVIDENCE
FROM GERMAN FIRMS**

Friedhelm Pfeiffer, Centre for European Economic Research
(ZEW), Mannheim

Co-Author(s): Wolfgang Franz, Centre for European Economic
Research (ZEW), Mannheim

**MICROFOUNDATIONS OF THE WAGE INFLATION IN THE
CZECH REPUBLIC**

Kamil Galuscak, Czech National Bank

Co-Author(s): Daniel Munich, CERGE-EI

**ON WAGE FORMATION, WAGE DEVELOPMENT AND
UNEMPLOYMENT FLEXIBILITY: A COMPARISON BETWEEN
EUROPEAN COUNTRIES AND THE UNITED STATES**

Ard den Reijer, De Nederlandsche Bank

Co-Author(s): Marga Peeters, De Nederlandsche Bank

**A SEMI-PARAMETRIC ANALYSIS OF DOWNWARD
NOMINAL WAGE RIGIDITY IN THE GSOEP 1984-2000**

Christoph Knoppik, University of Regensburg

Co-Author(s): Jens Dittmar, University of Regensburg

10:30 - 12:30	MERGERS AND COMPETITION (EEA) Organizer: Marc Ivaldi, Université de Sciences Sociales de Toulouse	Poster Area P2
---------------	--	----------------

**ADOPTION OF PRODUCT AND PROCESS INNOVATIONS IN
DIFFERENTIATED MARKETS: THE IMPACT OF
COMPETITION**

Pia Weiss, Chemnitz University of Technology

**THE COMPETITIVE AND WELFARE EFFECTS OF THIRD-
DEGREE PRICE DISCRIMINATION IN SYSTEMS MARKETS:
AN EFFICIENCY PRO-COMPETITIVE POLICY**

Marc Robert, LAMETA, Laboratoire Montpelliérain d

10:30 - 12:30	ECONOMETRIC INQUIRES ON MACRO- RELEVANT QUESTIONS (EEA) Organizer: Jose-Victor Rios-Rull, University of Pennsylvania	Poster Area P3
---------------	---	----------------

**INVESTIGATING LINKAGES BETWEEN FINANCIAL
MARKETS AND REAL ECONOMIC ACTIVITY**

Renatas Kizys, University of Alicante

**DO LEADING INDICATORS HELP TO PREDICT BUSINESS
CYCLE TURNING POINTS IN GERMANY?**

Vladimir Kouzine

Co-Author(s): Ulrich Fritsche, DIW Berlin

**ESTIMATING LARGE-SCALE FACTOR MODELS FOR
ECONOMIC ACTIVITY IN GERMANY**

Christian Schumacher, Deutsche Bundesbank

Co-Author(s): Christian Dreger, Halle Institute for Economic
Research

10:30 - 12:30	CREDIT MARKET IMPERFECTIONS (EEA)	Poster Area P4
---------------	--	----------------

**THE RATIONALE OF BANK LENDING IN PRE-CRISIS
THAILAND**

Lukas Menkhoff, University of Hannover

Co-Author(s): Chodechai Suwanaporn, Chulalongkorn University

10:30 - 12:30	EXPERIMENTAL EVIDENCE (EEA)	Poster Area P5
---------------	------------------------------------	----------------

**CONTENT-DEPENDENT PREFERENCES IN CHOICE UNDER
RISK: HEURISTIC OF RELATIVE PROBABILITY
COMPARISONS**

Pavlo Blavatskyy, CERGE-EI

**THE EFFECTS OF FINANCIAL REWARDS ON STUDENTS'
ACHIEVEMENT: EVIDENCE FROM A RANDOMIZED
EXPERIMENT**

Edwin Leuven, University of Amsterdam

Co-Author(s): Hessel Oosterbeek, University of Amsterdam and
Bas Van der Klaauw, Free University

A NATION-WIDE LABORATORY - EXAMINING TRUST AND TRUSTWORTHINESS BY INTEGRATING BEHAVIORAL EXPERIMENTS INTO REPRESENTATIVE SURVEYS

Gert G. Wagner, DIW Berlin

Co-Author(s): Ernst Fehr, University of Zurich, Schupp Juergen, DIW Berlin and Urs Fischbacher, University of Zuerich

10:30 - 12:30

THEORY OF SAVING (EEA)

Poster Area P6

Organizer: Harald Uhlig, Humboldt University

STATUS SEEKING IN THE OPEN ECONOMY

Walter H. Fisher, Institute for Advanced Studies

Co-Author(s): Franz Hof, Vienna University of Technology

THE POLITICAL ECONOMY OF HOUSING TAXATION

Niku Määttänen, Universitat Pompeu Fabra

Co-Author(s): Essi Eerola, University of Helsinki

10:30 - 12:30

SOCIAL CAPITAL (EEA)

Postera Area P7

Organizer: Patrick Francois, Tilburg University

BRIDGING AND BONDING SOCIAL CAPITAL: WHICH TYPE IS GOOD FOR ECONOMIC GROWTH?

Sjoerd Beugelsdijk, Tilburg University

Co-Author(s): Sjak Smulders, Tilburg University

SOCIAL CAPITAL AND GOVERNMENT IN THE PRODUCTION OF PUBLIC GOODS

Olivia C. Estrella López, IDEEA, Universidad Autónoma de Barcelona

TROPIC TRUST VERSUS NORDIC TRUST - EXPERIMENTAL EVIDENCE FROM TANZANIA AND SWEDEN

Håkan Holm, Lund University

UNDERSTANDING DETERMINANTS OF SOCIAL CAPITAL: TRUST, COOPERATION, AND INFORMAL SANCTIONS IN A CROSS-SOCIETAL PERSPECTIVE

Christian Thöni, University of St. Gallen

Co-Author(s): Simon Gächter, University of St. Gallen and CESifo and Benedikt Herrmann, University of Göttingen

TRUST AS SOCIAL CAPITAL AND THE PROCESS OF ECONOMIC DEVELOPMENT

Patrick Francois, Tilburg University

Co-Author(s): Jan Zabojsnik, University of Southern California

10:30 - 11:00

REFRESHMENTS

11:00 - 12:30	CONTRIBUTED SESSION ESEM: Theoretical and Applied Economics	
11:00 - 12:30	LABOUR MARKETS III (ET) Chairperson: Birthe Larsen, Department of Economics, Copenhagen Business School	Room E306
	STICK, CARROT AND SKILL ACQUISITION Birthe Larsen, Department of Economics, Copenhagen Business School Co-Author(s): Trine Filges, Danish National Institute of Social Research	
	TECHNICAL PROGRESS AND EARLY RETIREMENT Ahituv Avner, Hebrew University Co-Author(s): Joseph Zeira, Hebrew University	
	WAGE AND TECHNOLOGY DISPERSION WITH WAGE BARGAINING Jon Strand, Department of Economics, University of Oslo	
11:00 - 12:30	INDUSTRIAL ORGANISATION IV (ET) Chairperson: Volker Nocke, University of Pennsylvania	Room E319
	VERTICAL PRODUCT DIFFERENTIATION WHEN QUALITY IS UNOBSERVABLE TO BUYERS Gerhard Orosel, University of Vienna Co-Author(s): Klaus Zauner, University of Vienna	
	WELFARE PROPERTIES OF DYNAMIC EQUILIBRIA UNDER ASYMMETRIC INFORMATION Vladimir Karamychev, Erasmus University Rotterdam, The Netherlands	
	MONOPOLY PRICING UNDER DEMAND UNCERTAINTY: FINAL SALES VERSUS INTRODUCTORY OFFERS Volker Nocke, University of Pennsylvania Co-Author(s): Martin Peitz, University of Mannheim	
11:00 - 12:30	FINANCIAL MARKETS I (ET) Chairperson: Uday Rajan, Carnegie Mellon University	Room E413
	MARKET INFORMATIONAL INEFFICIENCY, RISK AVERSION AND QUANTITY GRID Stefano Lovo, HEC School of Management Co-Author(s): Jean-Paul Decamps, GREMAQ, Université de Toulouse 1	
	PORTFOLIO CHOICE WITH A CORRELATED BACKGROUND RISK: THEORY AND EVIDENCE Hector F. Calvo-Pardo, Delta (Cnrs-Ehess-Ens)	

WELFARE IN A DYNAMIC LIMIT ORDER MARKET

Uday Rajan, Carnegie Mellon University
Co-Author(s): Ronald Goettler, Carnegie Mellon University and
Christine Parlour, Carnegie Mellon University

11:00 - 12:30	POLITICAL ECONOMY III (ET) Chairperson: Nicolás Porteiro, CORE, Université Catholique de Louvain	Room E487
---------------	---	-----------

REFORM UNDER UNANIMITY

Guido Friebel, EHESS, IDEI Toulouse
Co-Author(s): Erik Berglof, SITE and Mike Burkart, Stockholm
School of Economics

**SOCIAL POLARIZATION, FISCAL INSTABILITIES, AND
GROWTH**

Jaejoon Woo, DePaul University

**THE POLITICAL ECONOMY OF INTEREST GROUPS:
PRESSURE AND INFORMATION**

Nicolás Porteiro, CORE, Université Catholique de Louvain
Co-Author(s): Matthias Dahm, Universidad de Alicante

11:00 - 12:30	AUCTIONS IV (ET) Chairperson: Walter Beckert, University of Florida	Room E497
---------------	---	-----------

**THE EFFICIENT OPTIMAL RESERVATION PRICE IN
MULTIPLE-UNIT AUCTIONS**

Michal Bresky, CERGE

TREASURY AUCTIONS: THE SPANISH FORMAT

Francisco Alvarez, Universidad Complutense
Co-Author(s): Cristina Mazon, Universidad Complutense Madrid

DYNAMIC MONOPOLIES WITH STOCHASTIC DEMAND

Walter Beckert, University of Florida

11:00 - 12:30	EVOLUTION AND LEARNING IV (ET) Chairperson: Jan Tuinstra, CeNDEF, University of Amsterdam	Room F12
---------------	--	----------

ON LEARNING EQUILIBRIA

Jan Tuinstra, CeNDEF, University of Amsterdam
Co-Author(s): Florian Wagener, CeNDEF, University of
Amsterdam

**STOCHASTIC EVOLUTIONARY STABILITY IN GENERIC
EXTENSIVE FORM GAMES OF PERFECT INFORMATION**

Christoph Kuzmics, University of Cambridge

FICTITIOUS PLAY IN 2XN GAMES

Ulrich Berger, Vienna University of Economics and BA

11:00 - 12:30	GROWTH AND DEVELOPMENT III (ET) Chairperson: Bernhard Eckwert, University of Bielefeld	Room F220
---------------	--	-----------

THE DEVELOPMENT PROBLEM UNDER EMBODIMENT

Blanca Martinez, Universidad de Alicante
Co-Author(s): Raouf Boucekkine, IRES and CORE, Catholic University of Louvain and Cagri Saglam, IRES, Université Catholique de Louvain

THE EFFECT OF BETTER INFORMATION ON GROWTH AND WELFARE

Bernhard Eckwert, University of Bielefeld
Co-Author(s): Itzhak Zilcha, Tel Aviv University

FOREIGN DIRECT INVESTMENT, INEQUALITY, AND GROWTH

Alessandra Guariglia, University of Kent
Co-Author(s): Parantap Basu, Fordham University

11:00 - 12:30	ENVIRONMENTAL ECONOMICS (ET) Chairperson: Amos Zemel, Institute for Desert Research, Ben Gurion University	Room F289
---------------	--	-----------

GROWTH IN OVERLAPPING GENERATIONS ECONOMIES WITH NON-RENEWABLE RESOURCES

María-José Gutiérrez, Universidad del País Vasco
Co-Author(s): Betty Agnani, Banco Central de Venezuela and Universidad del País Vasco and Amaia Iza, Universidad del Pais Vasco

IN SEARCH OF A RATIONALE FOR DIFFERENTIATED ENVIRONMENTAL TAXES

Christoph Boehringer, Centre for European Research (ZEW)
Co-Author(s): Tom Rutherford, University of Colorado, Boulder

SCARCITY, GROWTH AND R&D

Amos Zemel, Institute for Desert Research, Ben Gurion University
Co-Author(s): Yacov Tsur, Hebrew University of Jerusalem

11:00 - 12:30	CONTRIBUTED SESSION ESEM: Econometrics and Empirical Economics	
11:00 - 12:30	COST FUNCTIONS AND PRODUCTION ANALYSIS (EC) Chairperson: Bertrand Koebel, Otto-von-Guericke-Universität	Room F299
	ASSESSING THE EFFECTS OF MEASUREMENT ERRORS ON THE ESTIMATION OF THE PRODUCTION FUNCTION Carmine Ornaghi, Universidad Carlos III de Madrid	
	WHAT'S SPURIOUS, WHAT'S REAL? MEASURING THE PRODUCTIVITY IMPACTS OF ICT AT THE FIRM-LEVEL Thomas Hempell, ZEW Mannheim	
	SEARCHING FOR FUNCTIONAL STRUCTURE IN MULTI-OUTPUT MULTI-SKILL TECHNOLOGIES Bertrand Koebel, Otto-von-Guericke-Universität	
11:00 - 12:30	ECONOMICS OF EDUCATION II (EC) Chairperson: Robin Andrew Naylor, University of Warwick	Room F315
	STUDENT SUPPORT AND EDUCATIONAL CHOICES: THE CASE OF THE NETHERLANDS Michele Belot, Dutch Bureau of Economic Policy Analysis Co-Author(s): Erik Canton, CPB and Dinand Webbink, CPB	
	EFFECTS OF IN-CLASS VARIATION AND STUDENT RANK ON THE PROBABILITY OF WITHDRAWAL: CROSS-SECTION AND TIME-SERIES ANALYSIS FOR UK UNIVERSITY STUDENTS Robin Andrew Naylor, University of Warwick Co-Author(s): Wiji Arulampalam, University of Warwick and Jeremy Smith, University of Warwick	
11:00 - 12:30	ESTIMATION II (EC) Chairperson: Gabriele Fiorentini, University of Florence	Room F389
	ROBUST EFFICIENT METHOD OF MOMENTS Claudio Ortelli, University of Southern Switzerland Co-Author(s): Fabio Trojani, University of Southern Switzerland	

THE RELATIVE EFFICIENCY OF IV ESTIMATORS IN MODELS WITH LAGGED AND INSTANTANEOUS FEEDBACKS

Agnes Joseph, University of Amsterdam
Co-Author(s): Jan F. Kiviet, University of Amsterdam

THE RELATIVE EFFICIENCY OF PSEUDO MAXIMUM LIKELIHOOD ESTIMATION AND INFERENCE IN CONDITIONALLY HETEROSKEDASTIC DYNAMIC REGRESSION MODELS

Gabriele Fiorentini, University of Florence
Co-Author(s): Giorgio Calzolari, Dipartimento di Statistica "G. Parenti", Università di Firenze and Enrique Sentana, CEMFI

11:00 - 12:30

FINANCIAL ECONOMETRICS: THEORY III (EC)

Room F397

Chairperson: Winfried Pohlmeier, University of Konstanz

MULTIVARIATE MODELLING OF COUNT DATA: AN AUTOREGRESSIVE CONDITIONAL POISSON MODEL

Andreas Heinen, Center of Operations Research
Co-Author(s): Erick Rengifo, CORE

STOCHASTIC CONDITIONAL INTENSITY MODELS

Nikolaus Hautsch, University of Konstanz
Co-Author(s): Luc Bauwens, Université Catholique de Louvain

A DYNAMIC INTEGER COUNT DATA MODEL FOR FINANCIAL TRANSACTION DATA

Winfried Pohlmeier, University of Konstanz
Co-Author(s): Roman Liesenfeld, University of Tuebingen

11:00 - 12:30

GROWTH: EMPIRICAL III (EC)

Room F413

Chairperson: Robert M. Coen, Northwestern University

POLARISATION, STRATIFICATION AND CONVERGENCE CLUBS: SOME DYNAMICS AND EXPLANATIONS OF UNEQUAL ECONOMIC GROWTH ACROSS INDIAN STATES

Sanghamitra Bandyopadhyay, Department of Economics, London School of Economics

THE COASTAL-INLAND INCOME GAP IN CHINA DURING THE 1990S: THE ROLE OF GEOGRAPHY AND POLICY

Zheng Wang, University of Southampton
Co-Author(s): Raymond O'Brien, University of Southampton

THE PRODUCTIVITY SURGE OF THE NINETIES AND FUTURE GROWTH

Robert M. Coen, Northwestern University
Co-Author(s): Bert G. Hickman, Stanford University

11:00 - 12:30	INFERENCE II (EC) Chairperson: Arnab Bhattacharjee, University of Cambridge	Room F420
---------------	---	-----------

MONITORING STRUCTURAL CHANGE IN DYNAMIC ECONOMETRIC MODELS

Achim Zeileis, Technische Universität Wien
 Co-Author(s): Kurt Hornik, Wirtschaftsuniversität Wien, Christian Kleiber, Universität Dortmund and Friedrich Leisch, Universität Wien

TESTING THE MARTINGALE DIFFERENCE HYPOTHESIS USING INTEGRATED REGRESSION FUNCTIONS

Juan Carlos Escanciano, Universidad Carlos III de Madrid
 Co-Author(s): Carlos Velasco, Universidad Carlos III de Madrid

A SIMPLE TEST FOR THE ABSENCE OF COVARIATE DEPENDENCE IN DURATION MODELS

Arnab Bhattacharjee, University of Cambridge

11:00 - 12:30	INFLATION I (EC) Chairperson: Simone Manganelli, European Central Bank	Room F487
---------------	--	-----------

DISINFLATION SIMULATION WITH DISAGGREGATED OUTPUTGAP MODEL FOR HUNGARY

Viktor Várpalotai, National Bank of Hungary

INFLATION DISPERSION AND CONVERGENCE IN MONETARY AND ECONOMIC UNIONS: LESSONS FOR THE ECB

Guenther W. Beck, University of Frankfurt and CFS
 Co-Author(s): Axel A. Weber, University of Cologne

THE CENTRAL BANKER AS A RISK MANAGER: QUANTIFYING AND FORECASTING INFLATION RISKS

Simone Manganelli, European Central Bank
 Co-Author(s): Lutz Kilian, University of Michigan, CEPR and European Central Bank

11:00 - 12:30	REGIME SWITCHING (EC) Chairperson: Denise R. Osborn, School of Economic Studies, University of Manchester	Room D7
---------------	---	---------

EXTERNAL SHOCKS AND THE NON-LINEAR DYNAMICS OF BRADY BOND SPREADS IN A REGIME-SWITCHING VAR

Peter Tillmann, University of Bonn

MODELLING EXTREME PRICE EVENTS IN ELECTRICITY MARKETS

Ralf Becker, Queensland University of Technology
 Co-Author(s): Stan Hurn, School of Economics and Finance, Queensland University of Technology and Vlad Pavlov, Queensland University of Technology

**SEASONAL ADJUSTMENT AND THE DETECTION OF
BUSINESS CYCLE PHASES**

Denise R. Osborn, School of Economic Studies, University of
Manchester

Co-Author(s): Antonio Matas Mir, European Central Bank

11:00 - 12:30

**CONTRIBUTED SESSION
EEA**

11:00 - 12:30

POLITICAL ECONOMY V (EEA)

Room A5137

Chairperson: Haldun Evrenk, Boston University

**A POLITICAL ECONOMY MODEL OF CONGRESSIONAL
CAREERS**

Antonio Merlo, Department of Economics, University of
Pennsylvania

Co-Author(s): Daniel Diermeier, MEDS Department, Kellogg
School, Northwestern University and Michael Keane,
Department of Economics, Yale University

PUBLIC GOODS AND POLITICAL UNIONS

Catherine Hafer, New York University

Co-Author(s): Dimitri Landa, New York University

**CURBING POWER OR PROGRESS? GOVERNING WITH AN
OPPOSITION VETO**

Albrecht Morgenstern, University of Bonn

**ARE HONEST CITIZENS TO BLAME FOR CORRUPTION? AN
EXERCISE IN POLITICAL ECONOMY OF TAX EVASION**

Haldun Evrenk, Boston University

11:00 - 12:30

GROWTH AND INSTITUTIONS II (EEA)

Room C497

Chairperson: Silvia Ardagna, Wellesley College

**FINANCIAL LIBERALIZATION AND GROWTH: NEW
EMPIRICAL EVIDENCE**

Alessandra Bonfiglioli, IIES, Stockholm University

Co-Author(s): Caterina Mendicino, Department of Economics,
Stockholm University

**FISCAL DECENTRALIZATION AND ECONOMIC GROWTH IN
HIGH INCOME OECD COUNTRIES**

Ulrich Thiessen, German Institute for Economic Research

**INVESTOR PROTECTION, OPTIMAL INCENTIVES, AND
ECONOMIC GROWTH**

Gian Luca Clementi, New York University

Co-Author(s): Rui Castro, Department of Economics, Université
de Montreal and Glenn MacDonald, Olin School of Business,
Washington University in St. Louis

REGULATION AND INVESTMENT

Silvia Ardagna, Wellesley College
Co-Author(s): Alberto Alesina, Harvard University, NBER,
CEPR, Giuseppe Nicoletti, OECD and Fabio Schiantarelli,
Boston College

11:00 - 12:30

**BUSINESS CYCLES: THEORY AND EVIDENCE
(EEA)**

Room D207

Chairperson: Gabriel Lee, Institute for Advanced
Studies

**WHY DON'T PRICES FALL IN A RECESSION? FINANCIAL
CONSTRAINTS, INVESTMENT, AND CUSTOMER
RELATIONS**

Nils Gottfries, Uppsala University
Co-Author(s): Magnus Lundin, Uppsala University

PRICE-SETTING BEHAVIOUR AND INFLATION DYNAMICS

Pablo Burriel-Llombart, Bank of England
Co-Author(s): Hasan Bakshi, Bank of England, Hashmat Khan,
Bank of England and Barbara Rudolf, Swiss National Bank

**ESTIMATING PRICE RIGIDITIES IN THE RUSSIAN REAL
ESTATE MARKETS**

Oleg Zamulin, New Economic School
Co-Author(s): Konstantin Styurin, CEFIR

**AGENCY COSTS AND BUSINESS CYCLES: A
COMPARATIVE ANALYSIS OF THE U.S. AND EURO AREA**

Gabriel Lee, Institute for Advanced Studies
Co-Author(s): Victor Dorofeenko, Institute for Advanced Studies,
Vienna and Kevin Salyer, University of California, Davis

11:00 - 12:30

CONTRACT THEORY I (EEA)

Room D220

Chairperson: Rolf Tislar, Bonn Graduate School of
Economics

**CONTRACTING UNDER MORAL HAZARD WITH
ALTRUISTIC AGENTS**

Cecile Aubert, University of Cambridge

DELEGATION AS AN OPTIMAL INCOMPLETE CONTRACT

Andreas Roider, University of Bonn

**PREDATORY ACCOMMODATION IN VERTICAL
CONTRACTING WITH EXTERNALITIES**

Zohra Bouamra-Mechemache, University of Toulouse (INRA)
Co-Author(s): Philippe Bontems, University of Toulouse (INRA
and IDEI)

**SELLING A DIVISIBLE GOOD IN A MODEL OF BILATERAL
TRADE WITH ADVERSE SELECTION**

Rolf Tislar, Bonn Graduate School of Economics

11:00 - 12:30	GAME THEORY II (EEA) Chairperson: Burkhard C. Schipper, Bonn Graduate School of Economics, Dept. of Economics, University of Bonn	Room D299
---------------	---	-----------

NETWORK FORMATION AND ANTI-COORDINATION GAMES

Dunia López-Pintado, University of Alicante
Co-Author(s): Yann Bramoulle, University of Toulouse, Sanjeev Goyal, Queen Mary, University of London and Fernando Vega-Redondo, University of Alicante

SAMARITAN VS ROTTEN KID: ANOTHER LOOK

Bouwe Dijkstra, University of Nottingham

THE ATTRIBUTE CORE, CORE CONVERGENCE, AND SMALL GROUP EFFECTIVENESS; THE EFFECTS OF PROPERTY RIGHTS ASSIGNMENTS ON THE ATTRIBUTE CORE

Myrna Wooders, University of Warwick

A STATE-SPACE STRUCTURE WITH UNAWARENESS

Burkhard C. Schipper, Bonn Graduate School of Economics, Dept. of Economics, University of Bonn

11:00 - 12:30	HEALTH ECONOMICS I (EEA) Chairperson: Mariacristina Rossi, University of Tor Vergata	Room D307
---------------	--	-----------

MODELING THE MACROECONOMIC IMPACT OF HIV/AIDS

Marcus Haacker, International Monetary Fund and LSE

SHOULD PHYSICIANS' DUAL PRACTICE BE LIMITED? AN INCENTIVE APPROACH

Paula Gonzalez, CORE and Universidad de Alicante

PRIVATE MEDICAL INSURANCE AND SAVING: EVIDENCE FROM THE BRITISH HOUSEHOLD PANEL SURVEY

Mariacristina Rossi, University of Tor Vergata
Co-Author(s): Alessandra Guariglia, University of Kent

11:00 - 12:30	LABOUR MARKETS EMPIRICAL EVIDENCE III (EEA) Chairperson: Thomas Fuchs, Ifo Institute for Economic Research	Room D315
---------------	--	-----------

WORKER DISPLACEMENT AND PRIVATIZATIONS: EVIDENCE FROM A MATCHED EMPLOYER-EMPLOYEE DATA SET

Francisco Lima, Universidade Lusofona de Humanidades e Tecnologias
Co-Author(s): Mário Centeno, Banco de Portugal

RETURN TO EDUCATION IN ITALY: 1992-1997

Piero Cipollone, Bank of Italy, Research Department

Co-Author(s): Brandolini Andrea, Bank of Italy, Research Department

THE DETERMINANTS OF TRANSITIONS FROM WAGE-WORK TO SELF-EMPLOYMENT IN COLOMBIA: AN EMPIRICAL ANALYSIS

Valentine Henrard, TEAM, Université Paris 1 and CNRS

CAPITAL MARKET INSTITUTIONS AND VENTURE CAPITAL: DO THEY AFFECT UNEMPLOYMENT AND LABOUR DEMAND?

Thomas Fuchs, Ifo Institute For Economic Research

Co-Author(s): Rainer Fehn, Economic Department, University of Munich and CESifo and Ifo Institute

11:00 - 12:30

TAX COMPETITION (EEA)

Room D320

Chairperson: Andreas Wagener, University of Vienna

COMMODITY TAX COMPETITION WHEN FIRMS HAVE MARKET POWER: SYNTHESIS AND EXTENSION

Michael Pflueger, DIW Berlin

Co-Author(s): Andreas Haufler, University of Munich and CESifo

TAX COMPETITION IN A EUROPEAN-STYLE FISCAL UNION WITH DECENTRALIZED LEADERSHIP

Marko Köthenbürger, CES, University of Munich

CLUB MEMBERSHIP UNDER TAX COMPETITION AND FREE RIDING

Apostolis Philippopoulos, Athens University of Economics and Business, and CESifo

Co-Author(s): Hyun Park, Department of Economics, Kyunghee University

PROFIT TAX COMPETITION AND FORMULA APPORTIONMENT

Andreas Wagener, University of Vienna

Co-Author(s): Rüdiger Pethig, University of Siegen

11:00 - 12:30

OPTIMAL TAXATION (EEA)

Room D397

Chairperson: Holger Strulik, Hamburg University

OPTIMAL CAPITAL INCOME TAXES WITH ENDOGENOUS CREDIT CONSTRAINTS

Irina Yakadina, International Monetary Fund

OPTIMUM TAXATION OF ANNUITIES

Johann Brunner, Department of Economics, University of Linz, Austria

**OPTIMAL INCOME TAXATION AND HUMAN CAPITAL
ACCUMULATION**

Marek Kapicka, University of Chicago

**THE DYNAMICS OF TIME-CONSISTENT REDISTRIBUTIVE
CAPITAL TAXATION**

Holger Strulik, Hamburg University

11:00 - 12:30

**INTERNATIONAL TRADE: EMPIRICAL EVIDENCE
II (EEA)**

Room E397

Chairperson: Radislav Semenov, University of
Nijmegen

**AN EMPIRICAL TEST OF THE DUTCH DISEASE
HYPOTHESIS USING A GRAVITY MODEL OF TRADE**

Jean-Philippe Stijns, University of California at Berkeley

**THE ROLE OF DEMAND IN THE ADJUSTMENT OF
EMPLOYMENT TO TRADE**

Daniel Mirza, University of Nottingham

**FINANCIAL SYSTEMS, INDUSTRY CHARACTERISTICS,
SPECIALIZATION AND COMPETITIVENESS: EMPIRICAL
ANALYSIS OF OECD COUNTRIES**

Radislav Semenov, University of Nijmegen

**WHY ARE FOREIGN FIRMS MORE PRODUCTIVE THAN
DOMESTIC FIRMS?**

Koen De Backer, Katholieke Universiteit Leuven

Co-Author(s): Leo Sleuwaegen, Katholieke Universiteit Leuven

11:00 - 12:30

EXCHANGE RATES: EMPIRICAL (EEA)

Room F3154

Chairperson: Rebecca Driver, Bank of England

**HOW DOES POLITICAL VIOLENCE AFFECT CURRENCY
SUBSTITUTION? EVIDENCE FROM EGYPT**

Anja Shortland, University of Leicester

Co-Author(s): David Fielding, University of Leicester

**HETEROGENEOUS EXPECTATIONS, EXCHANGE RATE
DYNAMICS AND PREDICTABILITY**

Sebastiano Manzan, University of Amsterdam

Co-Author(s): Frank Westerhoff, University of Osnabrueck

**EXCHANGE RATES, COMMODITIES AND THE
IMPLICATIONS OF VOLATILITY IN A SMALL OPEN
ECONOMY**

Rebecca Driver, Bank of England

Co-Author(s): Stephen Millard, Bank of England

11:00 - 12:30	BANK COMPETITION (EEA) Chairperson: Sonja Daltung, Research Department, Sveriges Riksbank	Room B3
---------------	--	---------

**BANK COMPETITION, AGENCY COSTS, AND THE
PERFORMANCE OF THE MONETARY POLICY**

Leonardo Alencar, Central Bank of Brazil
Co-Author(s): Marcio Nakane, Central Bank of Brazil and
University of Sao Paulo

**DYNAMIC BANKING COMPETITION WITH COSTLY
SCREENING**

Francesco Zollino, Research Department, Bank of Italy

**SOFTENING COMPETITION BY ENHANCING ENTRY: AN
EXAMPLE FROM THE BANKING INDUSTRY**

Jan Bouckaert, University of Antwerp
Co-Author(s): Hans Degryse, Catholic University of Leuven

**MULTIPLE-BANK LENDING: DIVERSIFICATION AND FREE-
RIDING IN MONITORING**

Sonja Daltung, Research Department, Sveriges Riksbank
Co-Author(s): Elena Carletti, University of Mannheim and Vittoria
Cerasi, Università degli Studi di Milano-Bicocca

12:30 - 14:00	LUNCH
---------------	--------------

14:00 - 16:00	CONTRIBUTED SESSIONS ESEM: Theoretical and Applied Economics
---------------	--

14:00 - 16:00	INDUSTRIAL ORGANISATION V (ET) Chairperson: Josef Falkinger, University of Zurich	Room E306
---------------	---	-----------

ATTENTION ECONOMIES

Josef Falkinger, University of Zurich

**BERTRAND COMPETITION WITH INTERTEMPORAL
DEMAND**

Jorgen Weibull, Boston University
Co-Author(s): Prajit Dutta, Columbia University and Alexander
Matros, University College London

RISK TAKING BY ENTREPRENEURS

Galina Vereshchagina, CERGE-EI
Co-Author(s): Hugo Hopenhayn, University of Rochester and
Universidad T. Di Tella

THE EFFECTS OF PRODUCT BUNDLING IN DUOPOLY

Markus Reisinger, University of Munich

14:00 - 16:00	INTERNATIONAL ECONOMICS III (ET) Chairperson: Jose Noguera, Cerge-EI	Room E319
---------------	--	-----------

A THEORETICAL MODEL OF BARTER IN RUSSIA

Jose Noguera, Cerge-EI

Co-Author(s): Susan Linz, Michigan State University

EVALUATING IMPERFECTIONS AND BIASES IN PRICE INDEXES DURING TRANSITION.

Randall Filer, CERGE-EI and CUNY

Co-Author(s): Jan Hanousek, CERGE-EI

SMALL OPEN ECONOMY MODEL WITH DOMESTIC RESOURCE SHOCKS: MONETARY UNION OR AN INDEPENDENT CURRENCY?

Tor Einarsson, University of Iceland

PRICING TO MARKET AND MARKET STRUCTURE

Matteo Bugamelli, Bank of Italy

Co-Author(s): Roberto Tedeschi, Bank of Italy

14:00 - 16:00	MONETARY POLICY III (ET) Chairperson: Christina Metz, University of Frankfurt, CFS Center for Financial Studies	Room E413
---------------	--	-----------

STRUCTURAL UNCERTAINTY AND CENTRAL BANK CONSERVATISM: THE IGNORANT SHOULD SHUT THEIR EYES

Joao Mauricio Rosal, Royal Holloway, University of London

Co-Author(s): Michael Spagat, Royal Holloway, University of London

THE COST CHANNEL IN A NEW KEYNESIAN MODEL: EVIDENCE AND IMPLICATIONS

Federico Ravenna, University of California, Santa Cruz

Co-Author(s): Carl Walsh, University of California, Santa Cruz

THE GAINS OF A SMALL POSITIVE INFLATION: A THEORY OF OPTIMAL INFLATION BASED ON LIQUIDITY CONSTRAINTS

Xavier Ragot, DELTA

THE ROLE OF INFORMATION DISPARITY IN THE MEXICAN PESO CRISIS 1994/95: EMPIRICAL EVIDENCE

Christina Metz, University of Frankfurt, CFS Center for Financial Studies

14:00 - 16:00	EQUILIBRIUM ANALYSIS (ET) Chairperson: Ruth Baldry, University of Essex	Room E487
---------------	---	-----------

EQUILIBRIA IN ECONOMIES WITH A CONTINUUM OF AGENTS: A CHARACTERIZATION IN TERMS OF APPROXIMATE EQUILIBRIA OF LARGE FINITE ECONOMIES

Guilherme Carmona, Universidade Nova de Lisboa

IRREDUCIBLE ECONOMIES AND STRONGLY CONNECTED GRAPHS

Ruth Baldry, University of Essex

Co-Author(s): Sayantan Ghosal, University of Warwick

STABLE COMPARATIVE STATICS

Kai-Sun Kwong, Chinese University of Hong Kong

EQUILIBRIUM ANALYSIS IN FINANCIAL MARKETS WITH COUNTABLY MANY SECURITIES

V. Filipe Martins-da-Rocha, CERMSEM, Université Paris 1

Co-Author(s): Charalambos D. Aliprantis, Krannert School of Management, Purdue University, Monique Florenzano, CNRS-Université Paris 1 and Rabee Tourky, Department of Economics and Commerce, University of Melbourne

14:00 - 16:00

EXPERIMENTAL ECONOMICS (ET)

Room D7

Chairperson: Uday Rajan, Carnegie Mellon University

FAIRNESS AND THE POWER OF COMPETITION

Urs Fischbacher, University of Zurich

Co-Author(s): Ernst Fehr, University of Zurich and Christina Fong, Carnegie Mellon University

IT'S ALL ABOUT CONNECTIONS: EVIDENCE ON NETWORK FORMATION

Michael Kosfeld, University of Zurich

Co-Author(s): Armin Falk, University of Zurich

THE ROBUSTNESS OF LABORATORY GIFT EXCHANGE - A RECONSIDERATION

Dirk Engelmann, CERGE-EI

Co-Author(s): Andreas Ortmann, CERGE-EI

THE WINNER'S CURSE: THEORY AND EXPERIMENTS

Uday Rajan, Carnegie Mellon University

Co-Author(s): Christine Parlour, Carnegie Mellon University and Vesna Prasnikar, Carnegie Mellon University

14:00 - 16:00

INSURANCE AND SOCIAL SECURITY (ET)

Room E497

Chairperson: Kai Suelzle, ifo Institute for Economic Research, Munich

ALTRUISM AS A CAUSE OF INSURANCE MARKET FAILURE

Björn Persson, Stockholm School of Economics

Co-Author(s): Jorgen Weibull, Boston University

INSURANCE IN A MARKET FOR CREDENCE GOODS

Kai Suelzle, ifo Institute for Economic Research, Munich

Co-Author(s): Achim Wambach, University of Erlangen-Nuremberg

IS IT BETTER A MORE FLEXIBLE RETIREMENT SCHEME?

Juan Antonio Lacomba, Universidad De Granada

REDISTRIBUTION THROUGH ALTERNATIVE PENSION REFORMS: A LIFE-CYCLE ANALYSIS ON FRENCH OCCUPATIONAL GROUPS

Pierre-Yves Henin, EUREQua, University Paris I and CEPREMAP and Thomas Weitzenblum, EURISCO, University Paris IX and CEPREMAP

14:00 - 16:00

R&D AND INNOVATIONS I (ET)

Room F12

Chairperson: Ignacio Palacios-Huerta, Brown University

ALLOCATING IDEAS. HORIZONTAL COMPETITION IN TOURNAMENTS.

Juan-Jose Ganuza, Universitat Pompeu Fabra
Co-Author(s): Esther Hauk, Universitat Pompeu Fabra

NETWORK FORMS OF ORGANIZATION IN R&D

Alexander Konovalov, Econometric Institute, Erasmus University Rotterdam
Co-Author(s): Sanjeev Goyal, Queen Mary, University of London and Jose Luis Moraga-Gonzalez, Erasmus University Rotterdam and Tinbergen Institute

PATENTABILITY, INDUSTRY STRUCTURE AND INNOVATION

Robert Hunt, Federal Reserve Bank of Philadelphia

THE MEASUREMENT OF INTELLECTUAL INFLUENCE

Ignacio Palacios-Huerta, Brown University
Co-Author(s): Oscar Volij, Iowa State University

14:00 - 16:00

CONTRIBUTED SESSIONS

ESEM: Econometrics and Empirical Economics

14:00 - 16:00

EXCHANGE RATES: EMPIRICAL III (EC)

Room F220

Chairperson: Gilles Dufrénot, ERUDITE, Paris 12 and GREQAM-CNRS, Marseille

THE EURO-DOLLAR EXCHANGE RATE: IS IT FUNDAMENTAL?

Javier Ordóñez, Jaume I University. Department of Economics
Co-Author(s): Mariam Camarero, University Jaume I, Department of Economics and Cecilio Tamarit, University of Valencia. Department of Applied Economics II

AN I(2) COINTEGRATION ANALYSIS OF PURCHASING POWER PARITY BETWEEN THE EURO AREA AND THE UNITED STATE

Chiara Osbat, European Central Bank and European University Institute

**THE ASYMMETRIC EXCHANGE RATE DYNAMICS IN THE
EMS: A TIME-VARYING THRESHOLD TEST**

Marie Bessec, Eureka-University Paris Pantheon Sorbonne

**PERSISTENT MISALIGNMENTS OF THE EUROPEAN
EXCHANGE RATES: SOME EVIDENCE FROM NONLINEAR
COINTEGRATION**

Gilles Dufrénot, ERUDITE, Paris 12 and GREQAM-CNRS,
Marseille

Co-Author(s): Laurent Mathieu, MODEM, Université Paris 10,
Valérie Mignon, THEMA, Université Paris 10 and Anne Péguin-
Feissolle, GREQAM-CNRS

14:00 - 16:00

GARCH MODELS (EC)

Room F289

Chairperson: Markku Lanne, University of Jyväskylä
and University of Helsinki

REGIME SWITCHING FOR DYNAMIC CORRELATIONS

Denis Pelletier, University of Montreal

**MODELING SEQUENCES OF LONG MEMORY NON-
NEGATIVE COVARIANCE STATIONARY RANDOM
VARIABLES**

Dmitri Koulikov, University of Aarhus

**ESTIMATION OF GARCH MODELS BASED ON OPEN,
CLOSE, HIGH, AND LOW PRICES**

Peter Lildholdt, Monetary Instruments and Markets, Bank of
England

**NONLINEAR GARCH MODELS FOR HIGHLY PERSISTENT
VOLATILITY**

Markku Lanne, University of Jyväskylä and University of Helsinki

Co-Author(s): Pentti Saikkonen, University of Helsinki

14:00 - 16:00

LABOUR SUPPLY II (EC)

Room F299

Chairperson: Monica Costa Dias, Bank of Portugal

**AN ECONOMETRIC MODEL OF LABOUR SUPPLY IN THE
UNDERGROUND ECONOMY**

Nadia Joubert, University of Lyon, GATE and CIRPEE

Co-Author(s): Bernard Fortin, Université Laval, CIRPEE and
CIRANO and Guy Lacroix, Université Laval, CIRPEE and
CIRANO

WHO ARE THE SELF-EMPLOYED? A NEW APPROACH

Sarah Brown, University of Leicester

Co-Author(s): Lisa Farrell, University of Melbourne and Mark
Harris, Monash University

**MASS MIGRATION TO ISRAEL AND NATIVES'
EMPLOYMENT OUTCOMES**

M. Daniele Paserman, Hebrew University

Co-Author(s): Sarit Cohen, Bar Ilan University

**THE IMPACT OF WAGE SUBSIDIES: A GENERAL
EQUILIBRIUM APPROACH**

Monica Costa Dias, Bank of Portugal
Co-Author(s): Richard Blundell, University College London and
Costas Meghir, UCL

14:00 - 16:00

LONG MEMORY TIME SERIES II (EC)

Room D9

Chairperson: James Davidson, University of Wales
Cardiff

**FREQUENCY DOMAIN PRINCIPAL COMPONENTS
ESTIMATION OF FRACTIONALLY COINTEGRATED
PROCESSES**

Claudio Morana, University of Piemonte Orientale

**TESTING FOR THE EQUALITY OF ORDERS OF
INTEGRATION**

Javier Hualde, Universidad de Navarra

**RELATIVE EFFICIENCY OF INDIRECT INFERENCE FOR
ARFIMA MODELS**

Francesca Di Iorio, Dipartimento di Scienze Statistiche,
Università di Napoli Federico II
Co-Author(s): Giorgio Calzolari, Dipartimento di Statistica "G.
Parenti", Università di Firenze

**CONVERGENCE TO STOCHASTIC INTEGRALS WITH
FRACTIONALLY INTEGRATED INTEGRATOR PROCESSES:
THEORY, AND APPLICATIONS TO COINTEGRATING
REGRESSION**

James Davidson, University of Wales, Cardiff

14:00 - 16:00

PANEL DATA: THEORY (EC)

Room F315

Chairperson: Maurice Bun, University of Amsterdam

**ROBUST ESTIMATORS OF THE FIXED EFFECTS PANEL
DATA MODEL**

Maria Caterina Bramati, Université Libre de Bruxelles
Co-Author(s): Christophe Croux, K.U.Leuven

**PANEL UNIT ROOT TESTS WITH GLS-DETRENDING: WITH
AN APPLICATION TO PURCHASING POWER PARITY**

Claude Lopez, University of Cincinnati

**ROOT-N CONSISTENT SEMIPARAMETRIC ESTIMATORS OF
A DYNAMIC PANEL DATA SAMPLE SELECTION MODEL**

Christelle Viauoux, State University of New York Stony Brook
Co-Author(s): George-Levi Gayle, University of Pittsburgh

**BIAS-CORRECTED ESTIMATION IN DYNAMIC PANEL DATA
MODELS**

Maurice Bun, University of Amsterdam
Co-Author(s): Martin Carree, University of Maastricht

14:00 - 16:00

**TREATMENT EFFECTS AND PROGRAM
EVALUATION II (EC)**

Room F389

Chairperson: Dale Poirier, University of California,
Irvine

**THE IMPACT OF GOVERNMENT FUNDED R&D ACTIVITIES
IN GERMAN INDUSTRY**

Andreas H. Fier, Centre for European Economic Research
(ZEW)

**THE EFFECT OF HEALTH STATUS ON LABOUR MARKET
OUTCOMES: A CASE STUDY OF GERMANY WITH
EVIDENCE FROM MATCHING**

Rosalia Vazquez-Alvarez, SIAW-HSG
Co-Author(s): Michael Lechner, Universität St. Gallen

**ASSESSING THE EXTENT OF THE RANDOMIZATION BIAS
IN THE CANADIAN SELF-SUFFICIENCY EXPERIMENT**

Thierry Kamionka, CNRS and CREST
Co-Author(s): Guy Lacroix, Université Laval, CIRPEE and
CIRANO

**DO DROPOUTS SUFFER FROM DROPPING OUT?
ESTIMATION AND PREDICTION OF OUTCOME GAINS IN
GENERALIZED SELECTION MODELS**

Dale Poirier, University of California, Irvine
Co-Author(s): Mingliang Li, University of California, Irvine and
Justin Tobias, University of California, Irvine

14:00 - 16:00

WAGES (EC)

Room F413

Chairperson: Amanda Gosling, Dept Economics
University of Essex and IFS

**THE IMPACT OF PRIVATISATION ON WAGES: EVIDENCE
FROM THE PORTUGUESE BANKING INDUSTRY**

Natalia Monteiro, Warwick University

NOMINAL WAGE RIGIDITY IN EUROPE

Fredrik Wulfsberg, Norges Bank
Co-Author(s): Steinar Holden, University of Oslo

**WAGE DIFFERENCES ACROSS FRENCH LOCAL LABOUR
MARKETS: ENDOWMENTS, SKILLS AND INTERACTIONS**

Laurent Gobillon, UCL and CREST
Co-Author(s): Pierre-Philippe Combes, CNRS, CERAS and
Boston University and Gilles Duranton, LSE

**A NEW METHOD FOR ESTIMATING PUBLIC SECTOR PAY
PREMIA: EVIDENCE FROM BRITAIN IN THE 1990s**

Amanda Gosling, Dept Economics, University of Essex and IFS
Co-Author(s): Richard Disney, University of Nottingham

14:00 - 16:00

CONTRIBUTED SESSIONS
EEA

14:00 - 16:00

INDUSTRIAL ORGANISATION VI (EEA)

Room A5137

Chairperson: Joel Sandonís, University of the
Basque Country, Department of Economics

**TWO-WAY INTERCONNECTION AND THE COLLUSIVE
ROLE OF THE ACCESS CHARGE**

Ulrich Berger, Vienna University of Economics and BA

THE EFFECTS OF ENTRY IN BILATERAL OLIGOPOLY

Robin Andrew Naylor, University of Warwick

BARRIERS AND OPTIMAL INVESTMENT RULES

Jean-Daniel Saphores, University of California Irvine

**MERGING TO LICENSE: INTERNAL VS. EXTERNAL
PATENTEE**

Joel Sandonís, University of the Basque Country, Department of
Economics

Co-Author(s): Ramon Faulí-Oller, University of Alicante

14:00 - 16:00

CORPORATE FINANCE III (EEA)

Room C497

Chairperson: Gabrielle Wanzenried, Department of
Economics University of Bern

**EVOLUTION TOWARD MULTINATIONAL ENTERPRISE:
SOFT BUDGET CONSTRAINT AND THE BOUNDARY OF
FIRM**

Julan Du, Department of Economics, Chinese University of
Hong Kong

**MERGERS AND THE MARKET FOR ORGANIZATION
CAPITAL**

Andre Faria, University of Chicago

**MULTIPLE LARGE SHAREHOLDERS IN CORPORATE
CONTROL: EVIDENCE FOR SPAIN**

Josep Tribo, Universidad Carlos III

Co-Author(s): María Gutierrez, Universidad Carlos III

**PRODUCT MARKET COMPETITION AND EXECUTIVE
COMPENSATION: AN EMPIRICAL ANALYSIS**

Gabrielle Wanzenried, Department of Economics, University of
Bern

Co-Author(s): Patricia Funk, University of Basel

14:00 - 16:00	GROWTH: EMPIRICAL EVIDENCE I (EEA) Chairperson: Eduardo Andrade, Ibmec Business School	Room D207
---------------	--	-----------

EN EMPIRICAL ASSESSMENT OF THE DETERMINANTS OF TOTAL FACTOR PRODUCTIVITY GROWTH

Fabio Castiglionesi, Universidad Carlos III de Madrid
Co-Author(s): Carmine Ornaghi, Universidad Carlos III de Madrid

EXPLAINING GROWTH FAILURES: AN EMPIRICAL INVESTIGATION OF NATURAL RESOURCE ENDOWMENT TYPE AND GROWTH

Maiju Perala, UNU/WIDER

INCOME CONVERGENCE ACROSS US STATES: AN ANALYSIS USING MEASURES OF CONCORDANCE AND DISCORDANCE

Don Webber, University of the West of England
Co-Author(s): Dave Allen, University of the West of England and Paul White, University of the West of England

TESTING CONVERGENCE ACROSS MUNICIPALITIES IN BRAZIL USING QUANTILE REGRESSION

Eduardo Andrade, Ibmec Business School
Co-Author(s): Marcio Laurini, Ibmec Business School, Regina Madalozzo, Ibmec Business School and Pedro L. Valls Pereira, Ibmec Business School

14:00 - 16:00	CONSUMPTION II (EEA) Chairperson: Lorenzo Pozzi, Ghent University	Room D220
---------------	---	-----------

CONSUMPTION BEHAVIOR, ASSET RETURNS, AND THE RISK AVERSION: EVIDENCE FROM JAPANESE HOUSEHOLD SURVEY

Kenji Wada, Keio University
Co-Author(s): Keiichi Kubota, Musashi University and Toshifumi Tokunaga, Nanzan University

THE DYNAMICS OF CONSUMERS' EXPENDITURE: THE UK CONSUMPTION ECM REDUX.

Simon Price, Bank of England
Co-Author(s): Andrew Blake, CCBS, Bank of England, Andrew Blake, Bank of England and Emilio Fernandez-Corugedo, Bank of England

DOES WEALTH AFFECT CONSUMPTION? EVIDENCE FOR ITALY

Monica Paiella, Bank of Italy

**GOVERNMENT DEBT AND THE EXCESS SENSITIVITY OF
PRIVATE CONSUMPTION TO CURRENT INCOME: AN
EMPIRICAL ANALYSIS FOR OECD COUNTRIES**

Lorenzo Pozzi, Ghent University

Co-Author(s): Maarten Dossche, National Bank of Belgium and
Freddy Heylen, Sherppa, Ghent University

14:00 - 16:00

**EDUCATION, SKILLS AND LABOUR MARKETS
(EEA)**

Room D299

Chairperson: Luca Mancini, University of Warwick

**HUMAN CAPITAL ACCUMULATION, EDUCATION POLICY
AND WAGE DISPERSION**

Giovanni Gallipoli, UCL and IFS

**THE COMBINED EFFECT OF TAXATION AND
SUBSIDIZATION ON HUMAN CAPITAL INVESTMENT**

Salvatore Barbaro, University of Goettingen

**EDUCATION POLICY AND MOBILITY: SOME BASIC
RESULTS**

Ulrich Hange, CESifo

**DIFFERENCES IN THE OCCUPATIONAL EARNINGS OF UK
GRADUATES BY DEGREE SUBJECT: EVIDENCE FROM THE
USR, 1980-1993**

Luca Mancini, University of Warwick

Co-Author(s): Massimiliano Bratti, University of Ancona and
University of Warwick

14:00 - 16:00

FINANCIAL CONTRACTS (EEA)

Room D307

Chairperson: Dominik Maltritz

**BANK LEDNING, GEOGRAPHICAL DISTANCE AND CREDIT
RISK: AN EMPIRICAL ASSESSMENT OF THE CHURCH
TOWER PRINCIPLE**

Sofia Lundberg, CERUM, Umeå University

Co-Author(s): Kenneth Carling, Dalarna University

FINANCIAL CONTRACTING ALONG THE BUSINESS CYCLE

Andrea Attar, CORE, Catholic University of Louvain

**HEDGING AND THE DEMAND FOR FORWARD CONTRACTS
IN GENERAL EQUILIBRIUM**

Jens Eisenschmidt, University of Dresden

Co-Author(s): Klaus Waelde, University of Dresden

**SOVEREIGN RISK IN A STRUCTURAL APPROACH:
EVALUATING SOVEREIGN ABILITY-TO-PAY AND
PROBABILITY OF DEFAULT**

Dominik Maltritz

Co-Author(s): Alexander Karmann

14:00 - 16:00	INEQUALITY I (EEA) Chairperson: Manuel Oechslin, University of Zurich	Room D315
---------------	---	-----------

FINANCIAL MARKET ACCESS AND THE CONTRIBUTION OF CAPITAL INCOME TO INEQUALITY

Miquel Pellicer, EUI

INEQUALITY AND WELFARE COMPARISONS AMONG INDIVIDUALS UNDER SAMUELSON'S MODEL OF HOUSEHOLDS

Eugenio Peluso, THEMA, Université de Cergy-Pontoise

Co-Author(s): Alain Trannoy, GREQAM EHESS

INEQUALITY, INDUSTRIALIZATION AND FINANCIAL STRUCTURE

Tridip Ray, Hong Kong University of Science and Technology

Co-Author(s): Shankha Chakraborty, University of Oregon

WHO GAINS FROM NON-COLLUSIVE CORRUPTION

Manuel Oechslin, University of Zurich

Co-Author(s): Reto Foellmi, University of Zurich, Institute for Empirical Research in Economics

14:00 - 16:00	INNOVATION AND PRODUCTIVITY (EEA) Chairperson: Sanghoon Ahn, Hong Kong University of Science and Technology	Room D320
---------------	---	-----------

IDLE CAPITAL AND LONG-RUN PRODUCTIVITY

Carl-Johan Dalgaard, University of Copenhagen

IS RISING RETURNS TO SCALE A FIGMENT OF POOR ACCOUNTING DATA?

Sten Hansen, Ministry of Finance

Co-Author(s): Tomas Lindström, National Institute of Economic Research

ENDOGENOUS INNOVATION WAVES AND ECONOMIC GROWTH

Rainer Andergassen, Department of Economics, University of Bologna

Co-Author(s): Franco Nardini, Department of Mathematics for Social Sciences

TECHNOLOGY UPGRADING, IT CAPITAL, AND MARKET VALUE

Sanghoon Ahn, Hong Kong University of Science and Technology

14:00 - 16:00	LABOUR MARKET - MATCHING (EEA) Chairperson: Pieter Gautier, Tinbergen Institute	Room D397
---------------	---	-----------

SELF-EMPLOYMENT AND LABOR MARKET REGULATION

Mário Centeno, Banco de Portugal

Co-Author(s): António Antunes, Banco de Portugal

JOB TURNOVER, UNEMPLOYMENT AND LABOR MARKET INSTITUTIONS

Olivier Pierrard, Ires, Université Catholique de Louvain
Co-Author(s): Gilles Joseph, Ires, Université Catholique de Louvain and Henri Sneessens, Ires, Université Catholique de Louvain

TAX PROGRESSION AND HUMAN CAPITAL IN A MATCHING FRAMEWORK

Mathias Hungerbühler, IRES, Catholic University of Louvain

EQUILIBRIUM DIRECTED SEARCH WITH MULTIPLE APPLICATIONS

Pieter Gautier, Tinbergen Institute
Co-Author(s): James Albrecht, and Susan Vroman

14:00 - 16:00

LABOUR MARKETS: EMPIRICAL EVIDENCE II (EEA)

Room E397

Chairperson: Sonia Pereira, University College London

A CROSS-SECTION ANALYSIS OF THE FAIRNESS-OF-PAY PERCEPTION OF UK EMPLOYEES

Maureen Paul, University of Warwick

JOB INSECURITY AND CHILDREN'S EMANCIPATION: THE ITALIAN PUZZLE

Ana Fernandes, CEMFI
Co-Author(s): Sascha Becker, IZA, CESifo, Samuel Bentolila, CEMFI and Andrea Ichino, European University Institute

DOES FUTURE PC USE DETERMINE OUR WAGES TODAY? – EVIDENCE FROM GERMAN PANEL DATA

Silke Anger, Humboldt University Berlin
Co-Author(s): Johannes Schwarze, University of Bamberg

AN ILLUSTRATION OF THE ROLE OF JOB MOBILITY IN THE ESTIMATION OF RETURNS TO JOB SENIORITY AND LABOUR MARKET EXPERIENCE: A COMPARISON OF THE U.K. AND GERMANY

Sonia Pereira, University College London
Co-Author(s): Christian Dustmann, University College London

14:00 - 16:00

MIGRATION II (EEA)

Room F3154

Chairperson: Michael Burda, Humboldt-Universität zu Berlin

DO WHEN AND WHERE MATTER? INITIAL LABOR MARKET CONDITIONS AND IMMIGRANT EARNINGS

Olof Åslund, Institute for Labour Market Policy Evaluation
Co-Author(s): Dan-Olof Rooth, Kalmar University

**ILLEGAL IMMIGRATION, EMPLOYER SANCTIONS AND
EQUILIBRIUM**

Chisato Yoshida, Faculty of Economics, Okayama University

**U.S. BORDER ENFORCEMENT AND THE INFLOW-
OUTFLOW OF MEXICAN ILLEGAL MIGRATION**

Manuela Angelucci, University College London

**FACTOR MOBILITY, INCOME DIFFERENTIALS AND
REGIONAL ECONOMIC INTEGRATION**

Michael Burda, Humboldt-Universität zu Berlin

14:00 - 16:00

**FINANCIAL MARKETS: EMPIRICAL EVIDENCE
(EEA)**

Room F397

Chairperson: Joachim Grammig, University of St.
Gallen

**MACROECONOMIC NEWS AND STOCK RETURNS IN THE
UNITED STATES AND GERMANY**

Norbert Funke, International Monetary Fund
Co-Author(s): Akimi Matsuda, New York University

**AN EMPIRICAL EXAMINATION OF THE NEWS MODEL: THE
CASE OF BORUSSIA DORTMUND GMBH & CO. KGAA**

Georg Stadtmann, WHU

**PREDICTIVE ABILITY OF ASYMMETRIC VOLATILITY
MODELS AT MEDIUM TERM HORIZONS**

Turgut Kisinbay, McGill University and IMF

**ESTIMATING THE PROBABILITY OF INFORMED TRADING -
DOES TRADE MISCLASSIFICATION MATTER?**

Joachim Grammig, University of St. Gallen
Co-Author(s): Erik Theissen, University of Bonn

14:00 - 16:00

MONETARY POLICY VI (EEA)

Room F420

Chairperson: Jean-Guillaume Sahuc, Banque de
France and Université d'Evry

**CREDIT ALLOCATION AND MONETARY POLICY IN A
MODEL WITH HETEROGENEOUS LENDERS**

Olivier Bruno, Latapes-Cnrs
Co-Author(s): Marc-Antoine Prunier, Latapes-Cnrs

**ECONOMIC DETERMINANTS OF PUBLIC OPINION ABOUT
JOINING THE EMU IN SWEDEN AND IN THE UK**

Mattias Erlandsson, Göteborg University

**FINANCIAL INSTABILITY AND MONETARY POLICY: THE
SWEDISH EVIDENCE**

Michael Bergman, Department of Economics, Lund University
Co-Author(s): Jan Hansen, Sveriges Riksbank

**INCORPORATING LABOUR MARKET FRICTIONS INTO AN
OPTIMIZING-BASED MONETARY POLICY MODEL**

Jean-Guillaume Sahuc, Banque de France and Université d'Evry
Co-Author(s): Stéphane Moyen, Université d'Evry

14:00 - 16:00	CORPORATE FINANCE I (EEA) Chairperson: Volker Laux, Goethe-University of Frankfurt	Room F487
---------------	---	-----------

**INVESTOR PROTECTION, GOING PUBLIC, AND
SEPARATING CONTROL FROM CASH FLOW RIGHTS**

Serguei Stepanov, ECARES (ULB)

**HAVING MORE POTENTIAL RAIDERS WEAKENS THE
TAKEOVER THREAT**

Linda Toolsema, University of Groningen

**"PRE-CONTRACT" BARGAINING AND CORPORATE
FINANCE**

Kai Rudolph, University of Muenster, Germany

THE IGNORED PERFORMANCE MEASURE

Volker Laux, Goethe-University of Frankfurt

14:00 - 16:00	INTERNATIONAL FINANCE 3 (EEA) Chairperson: Chander Kant, Seton Hall University	Room B3
---------------	--	---------

**EXPLAINING LONG TERM INTERNATIONAL CAPITAL
FLOWS**

Werner Roeger, European Commission, DG ECFIN

**FINANCIAL INTEGRATION, SPECIALIZATION AND TRADE:
MORE OR LESS BUSINESS CYCLE SYMMETRY?**

Mathias Hoffmann, University of Dortmund

**FINANCIAL OPENNESS AND BUSINESS CYCLE
VOLATILITY**

Joerg Doepke, Deutsche Bundesbank
Co-Author(s): Claudia Buch, Kiel Institute for World Economics
and Christian Pierdzioch, Kiel Institute for World Economics

**A PORTFOLIO-BALANCE ANALYSIS OF RELATIONSHIP
BETWEEN DIFFERENT TYPES OF PRIVATE FLOWS TO
DEVELOPING COUNTRIES**

Chander Kant, Seton Hall University

14:00 - 16:00	CENTRAL BANK INTERVENTION I (EEA) Chairperson: Bernhard Pachtl, University of Heidelberg	Room B5
---------------	--	---------

SHOULD CENTRAL BANKS REALLY BE FLEXIBLE?

Hans Peter Gruener, University of Mannheim

SQUEEZING THE INTEREST RATE SMOOTHING WEIGHT WITH A HYBRID EXPECTATIONS MODEL

Efrem Castelnuovo, Bocconi University

A POLITICAL AGENCY THEORY OF CENTRAL BANK INDEPENDENCE

Eric Le Borgne, IMF

Co-Author(s): Gauti Eggertsson, IMF

FLEXIBLE MAJORITY RULES FOR CENTRAL BANKS

Bernhard Pachtl, University of Heidelberg

Co-Author(s): Hans Gersbach, University of Heidelberg

14:00 - 16:00	ASSET PRICING (EEA) Chairperson: Stanislav Anatolyev, New Economic School, Russia	Room B4
---------------	---	---------

PRICING RISK IN ECONOMIES WITH HETEROGENEOUS AGENTS AND INCOMPLETE MARKETS

Josep Pijoan-Mas, CEMFI

MODEL MISSPECIFICATION, THE NATURAL RATE OF INTEREST AND THE EQUITY PREMIUM

Oreste Tristani, European Central Bank

RATIONAL BELIEFS OR DISTORTED BELIEFS: EQUITY PREMIUM PUZZLE AND MICRO SURVEY DATA

Cheolbeom Park, National University of Singapore

EMPIRICAL LIKELIHOOD, GMM, SERIAL CORRELATION, AND ASYMPTOTIC BIAS

Stanislav Anatolyev, New Economic School, Russia

14:00 – 16:00	INDUSTRIAL ORGANISATION VII (EEA) Chairperson: M ^a del Pilar Socorro, Universitat Autònoma de Barcelona	Room F11
---------------	--	----------

PORTFOLIO EFFECTS AND MERGER CONTROL: FULL-LINE FORCING AS AN ENTRY-DETERRENCE STRATEGY

Thibaud Vergé, University of Southampton

OPEN SOURCE, COMPLEMENTARITIES AND SOFTWARE QUALITY

Ewa Mendys-Kamphorst, Tinbergen Institute, Rotterdam

Saturday 14:00 – 16:00 + 16:30 – 18:00

**SEQUENTIAL INNOVATION, NETWORK EFFECTS AND THE
CHOICE OF COMPATIBILITY**

Gerard Llobet, CEMFI

Co-Author(s): Michael Manove, Boston University

**OPTIMAL TECHNOLOGY POLICY: SUBSIDIES VERSUS
MONITORING**

M^a del Pilar Socorro, Universitat Autònoma de Barcelona

16:00 - 16:30

REFRESHMENTS

16:30 - 18:00

FISHER SCHULTZ LECTURE (ESEM)

Room Aula Magna

Chairperson: Richard Blundell, University College London

INFERENCE ON EXPECTATIONS AND DECISIONS

Charles Manski, Northwestern University

19:00

SOCIAL EVENT: VASA MUSEUM TOURS & DINNER

SUNDAY 24TH AUGUST 2003

09:00 - 10:30	CONTRIBUTED SESSIONS ESEM: Theoretical and Applied Economics	
09:00 - 10:30	CREDIT MARKETS (ET) Chairperson: Jean Charles Rochet, Toulouse University	Room D7
	BANKING AND THE MACROECONOMY Jan Wenzelburger, University of Bielefeld Co-Author(s): Hans Gersbach, University of Heidelberg	
	LOAN PRICING UNDER BASEL CAPITAL REQUIREMENTS Rafael Repullo, CEMFI Co-Author(s): Javier Suarez, CEMFI	
	THE THREE PILLARS OF BASEL 2: OPTIMIZING THE MIX Jean Charles Rochet, Toulouse University Co-Author(s): Roger Benoit, GREMAQ and Jean-Paul Decamps, GREMAQ, Université de Toulouse 1	
09:00 - 10:30	FINANCIAL MARKETS II (ET) Chairperson: Liang Zou, University of Amsterdam	Room E306
	UNDERSTANDING LARGE MOVEMENTS IN STOCK MARKET ACTIVITY Xavier Gabaix, Massachusetts Institute of Technology	
	LINEAR-QUADRATIC JUMP-DIFFUSION MODELLING WITH APPLICATION TO STOCHASTIC VOLATILITY Olivier Scaillet, HEC Geneve and FAME Co-Author(s): Peng Cheng, HEC Lausanne and FAME	
	ASSET PRICING WITH COMPOUND UTILITY Liang Zou, University of Amsterdam	
09:00 - 10:30	GAME EXPERIMENTS I (ET) Chairperson: Mathias Erlei, Clausthal University of Technology	Room E319
	24 Jordi Brandts, Institut d'Anàlisi Econòmica (CSIC) Co-Author(s): Klaus Abbink, University of Nottingham	

AN EXPERIMENTAL STUDY ON THE CHINOS GAME

Miguel A. Melendez-Jimenez, University of Alicante and University of Malaga

Co-Author(s): Francesco Feri, Cà Foscari University, Venezia, Giovanni Ponti, Universidad de Alicante and Università de Ferrara and Fernando Vega-Redondo, University of Alicante

HETEROGENEOUS SOCIAL PREFERENCES

Mathias Erlei, Clausthal University of Technology

09:00 - 10:30	GAME THEORY IV (ET) Chairperson: Francis Bloch, GREQAM, Marseille	Room E413
---------------	---	-----------

COALITIONAL BARGAINING WITH EXTERNALITIES AND ENDOGENOUS EXIT

Francis Bloch, GREQAM, Marseille

SIMPLICITY OF BELIEFS AND DELAY TACTICS IN A CONCESSION GAME

Ran Spiegler, School of Economics, Tel Aviv University

STABILITY AND EQUILIBRIUM SELECTION IN A LINK FORMATION GAME

Rodrigo Harrison, Georgetown University

Co-Author(s): Roberto Muñoz, University of Maryland

ON THE SIZE AND STRUCTURE OF GROUP COOPERATION

Matthew Haag, University of Warwick

Co-Author(s): Roger Lagunoff, Georgetown University

09:00 - 10:30	MONETARY THEORY (ET) Chairperson: Oreste Tristani, European Central Bank	Room E487
---------------	--	-----------

MONEY AND INFORMATION

Aleksander Berentsen, University of Basel

Co-Author(s): Rocheteau Guillaume, ANU

A TERM STRUCTURE MODEL WITH MACROECONOMIC FACTORS

Oreste Tristani, European Central Bank

09:00 - 10:30	PRINCIPAL-AGENT MODELS II (ET) Chairperson: Michael Keren, Hebrew University	Room E497
---------------	--	-----------

PRINCIPAL-MULTIAGENT MODELS UNDER THE FIRST-ORDER APPROACH AND RELATIVE PERFORMANCE EVALUATION

Annalisa Luporini, University of Florence

TEAMS: SUPERVISION OR COORDINATION?

Michael Keren, Hebrew University
Co-Author(s): David Levhari, Hebrew University

**COMMITMENT PROBLEM, OPTIMAL INCENTIVE SCHEMES,
AND RELATIONAL CONTRACTS IN AGENCY WITH
BILATERAL MORAL HAZARD**

Yutaka Suzuki, Hosei University and Harvard University

09:00 - 10:30	INCOME DISTRIBUTION (ET) Chairperson: Patrick Moyes, CNRS, IDEP and GRAPE	Room F12
---------------	--	----------

**DOES THE LORENZ CURVE REALLY MEASURE
INEQUALITY?**

Patrick Moyes, CNRS, IDEP and GRAPE
Co-Author(s): Alain Chateaufeuf, CERMSEM, Université Paris 1
Panthéon-Sorbonne

**INCOME DISTRIBUTION AND MACROECONOMICS: THE
ROLE OF PRODUCT MARKET POWER**

Reto Foellmi, University of Zurich, Institute for Empirical
Research in Economics
Co-Author(s): Josef Zweimueller, University of Zurich, Institute
for Empirical Research in Economics

**WHEN ARE LORENZ CURVES GENERATED BY A GIVEN
CLASS OF TRANSFER FUNCTIONS?**

Johan Fellman, Swedish School of Economics

09:00 - 10:30	LAW AND ECONOMICS (ET) Chairperson: Winand Emons, University of Bern	Room F220
---------------	--	-----------

**PROPERTY CRIME WITH PRIVATE PROTECTION: A
MARKET-FOR-OFFENSES APPROACH**

Louis Hotte, University of Namur
Co-Author(s): Fabrice Valognes, University of Le Havre

**SUBGAME PERFECT PUNISHMENT FOR REPEAT
OFFENDERS**

Winand Emons, University of Bern

09:00 - 10:30	CONTRIBUTED SESSIONS ESEM: Econometrics and Empirical Economics
---------------	---

09:00 - 10:30	BUSINESS CYCLES: EMPIRICAL IV (EC) Chairperson: Jean Imbs, London Business School	Room F289
---------------	---	-----------

**ON THE WELFARE COSTS OF BUSINESS CYCLES IN THE
20TH CENTURY**

João Victor Issler, EPGE/FGV
Co-Author(s): Afonso Arinos de Mello Franco, EPGE/FGV and

Osmani Teixeira de Carvalho Guillén, EPGE/FGV

HOW MUCH LEVERAGE IS TOO MUCH, OR DOES CORPORATE RISK DETERMINE THE SEVERITY OF A RECESSION?

Iryna Ivaschenko, International Monetary Fund

VOLATILITY, GROWTH AND AGGREGATION

Jean Imbs, London Business School

09:00 - 10:30

COINTEGRATION: INFERENCE II (EC)

Room F299

Chairperson: Paolo Paruolo, Department of Economics, University of Insubria

TESTS FOR LONG-RUN GRANGER NON-CAUSALITY IN COINTEGRATED SYSTEMS

Taku Yamamoto, Hitotsubashi University

Co-Author(s): Eiji Kurozumi, Hitotsubashi University

TESTS OF SEASONAL INTEGRATION AND COINTEGRATION IN MULTIVARIATE UNOBSERVED COMPONENTS MODELS

Fabio Buseti, Bank of Italy

WHY BOTHER ABOUT I(2)-NESS - A STUDY ON MODELLING THE FIRST DIFFERENCES OF I(2) SYSTEMS

Paolo Paruolo, Department of Economics, University of Insubria

09:00 - 10:30

ECONOMICS OF EDUCATION III (EC)

Room F315

Chairperson: Jerome Adda, University College London

ISLAM AND FEMALE EDUCATION EVIDENCE FROM INDIVIDUAL-LEVEL DATA

Ugo Panizza, Research Department, Inter-American Development Bank

Co-Author(s): Mandana Hajj, AUB

TEACHER TURNOVER AND NON-PECUNIARY FACTORS

Torberg Falch, Norwegian University of Science and Technology

Co-Author(s): Bjarnes Strom, Norwegian University of Science and Technology

CAREER PROGRESSION AND FORMAL VERSUS ON THE JOB TRAINING

Jerome Adda, University College London

Co-Author(s): Christian Dustmann, University College London, Costas Meghir, UCL and Jean-Marc Robin, Université de Paris 1 – Panthéon, Sorbonne

09:00 - 10:30	ESTIMATION III (EC) Chairperson: Fabio Trojani, University of Southern Switzerland	Room F389
---------------	--	-----------

IMPROVING SMALL SAMPLE PROPERTIES OF THE EMPIRICAL LIKELIHOOD ESTIMATION
Naoto Kunitomo, Faculty of Economics, University of Tokyo

GENERALIZED EMPIRICAL LIKELIHOOD TESTS UNDER PARTIAL, WEAK, AND STRONG IDENTIFICATION
Patrik Guggenberger, Yale University

SADDLEPOINT APPROXIMATIONS AND TEST STATISTICS FOR ACCURATE INFERENCE IN OVERIDENTIFIED MOMENT CONDITIONS MODELS
Fabio Trojani, University of Southern Switzerland
Co-Author(s): Elvezio Ronchetti, Dept. of Econometrics, University of Geneva

09:00 - 10:30	FINANCIAL ECONOMETRICS: EMPIRICAL III (EC) Chairperson: Renee Fry, Australian National University	Room F397
---------------	---	-----------

TRANSMISSION OF INFORMATION ACROSS INTERNATIONAL EQUITY MARKETS
Jon Wongswan, Federal Reserve Board

STOCHASTIC UNIT ROOTS OR DETERMINISTIC BREAKS? AN EMPIRICAL INVESTIGATION OF WORLD-WIDE STOCK MARKET INDICES
Svetlana Makarova
Co-Author(s): Wojciech Charemza, University of Leicester

UNANTICIPATED SHOCKS AND SYSTEMIC INFLUENCES: THE IMPACT OF CONTAGION IN GLOBAL EQUITY MARKETS IN 1998
Renee Fry, Australian National University
Co-Author(s): Mardi Dungey, Australian National University and Vance Martin, University of Melbourne

09:00 - 10:30	FIRM PERFORMANCE (EC) Chairperson: Véronique Janod, EUREQua, Université Paris 1	Room F413
---------------	---	-----------

DEBT OR EQUITY? THE ROLE OF VENTURE CAPITAL IN FINANCING THE NEW ECONOMY IN GERMANY
Erik E. Lehmann, University of Konstanz
Co-Author(s): David B. Audretsch, Indiana University

RESEARCH AND DEVELOPMENT, INNOVATION, TRAINING, QUALITY AND PROFITABILITY: ECONOMETRIC EVIDENCE FROM FRANCE
Diège Legros, ERMES
Co-Author(s): Fabrice Galia, ERMES - CNRS - UMR 7017

WORK ORGANIZATION AND PERFORMANCE ISSUE: AN ESTIMATE ON FRENCH MANUFACTURING FIRMS OVER 1995-1999

Véronique Janod, EUREQua, Université Paris 1
Co-Author(s): Anne Saint-Martin, DARES

09:00 - 10:30

INFLATION II (EC)

Room D9

Chairperson: Neil Ericsson, Federal Reserve Board

FREQUENCY DOMAIN ANALYSIS OF CORE INFLATION MEASURES FOR BRAZIL

Eurilton Araujo, IBMEC
Co-Author(s): Antonio Fiorenco, IBMEC and UFF

INFLATION ADJUSTMENT IN THE OPEN ECONOMY: AN I(2) ANALYSIS OF UK PRICES

Heino Bohn Nielsen, Institute of Economics, University of Copenhagen
Co-Author(s): Christopher Bowdler, Nuffield College, University of Oxford

CONSTRUCTIVE DATA MINING: MODELING AUSTRALIAN INFLATION

Neil Ericsson, Federal Reserve Board

09:00 - 10:30

LABOUR SUPPLY III (EC)

Room F487

Chairperson: Holger Bonin, IZA

FEMALE LABOR SUPPLY AND CHILD CARE IN FRANCE

David Le Blanc, CREST
Co-Author(s): Philippe Choné, CREST and Isabelle Robert-Bobée, CREST-INSEE

PARTICIPATION BEHAVIOR OF EAST GERMAN WOMEN AFTER GERMAN UNIFICATION

Holger Bonin, IZA
Co-Author(s): Rob Euwals, CPB, IZA and CEPR

09:00 - 10:30

POVERTY (EC)

Room F420

Chairperson: Arnstein Aassve, University of Leicester

CALCULATING COMPARABLE STATISTICS FROM INCOMPARABLE SURVEYS, WITH AN APPLICATION TO POVERTY IN INDIA

Alessandro Tarozzi, Duke University

THE WELFARE COST OF MEANS-TESTING: PENSIONER PARTICIPATION IN INCOME SUPPORT

Monica Hernandez, University of Leicester

Co-Author(s): Ruth Hancock, University of Leicester and Steve Pudney, University of Leicester

MODELLING POVERTY TRANSITIONS AS THE OUTCOME OF EMPLOYMENT, FAMILY UNION, AND CHILDBEARING DECISIONS IN THE UNITED KINGDOM

Arnstein Aassve, University of Leicester

Co-Author(s): Simon Burgess, University of Bristol and Carol Propper, University of Bristol

09:00 - 10:30

CONTRIBUTED SESSIONS
EEA

09:00 - 10:30

POLITICAL ECONOMY VI (EEA)

Room A5137

Chairperson: Kjetil Storesletten, Stockholm University

RENT EXTRACTION THROUGH CORRUPT OFFICIALS, DEFAULT RISK AND MONITORING COSTS

Mikael Priks, University of Munich

THE COSTS AND BENEFITS OF THE SEPARATION OF POWERS - AN INCOMPLETE CONTRACTS APPROACH

Kira Boerner, Department of Economics, University of Munich

Co-Author(s): Florian Herold, University of Munich

POPULATION AGING AND CAPITAL TAXATION

Xavier Mateos-Planas, Dept. Economics, University of Southampton

DEMOCRATIC PUBLIC GOOD PROVISION

Kjetil Storesletten, Stockholm University

Co-Author(s): John Hassler, Stockholm University and Fabrizio Zilibotti, University College London

09:00 - 10:30

CORPORATE GOVERNANCE (EEA)

Room C497

Chairperson: Giancarlo Spagnolo, University of Mannheim and CEPR

CREDIBLE MANAGERIAL VISION

Daniel Ferreira, Getulio Vargas Foundation, Graduate School of Economics

Co-Author(s): Marcelo Rezende, University of Chicago

WHICH INVESTORS FEAR EXPROPRIATION? EVIDENCE FROM INVESTORS' STOCK PICKING

Mariassunta Giannetti, Stockholm School of Economics and CEPR

Co-Author(s): Andrei Simonov, Stockholm School of Economics

THE PROVISION OF INCENTIVES IN DURABLE GOODS FIRMS

Ignacio Palacios-Huerta, Brown University

Co-Author(s): Ana Isabel Saracho, Universidad del Pais Vasco

EXCLUSIVE CONTRACTS, LOSS TO DELAY, AND INCENTIVES TO INVEST

Giancarlo Spagnolo, University of Mannheim and CEPR

Co-Author(s): Christian Groh, University of Bonn

09:00 - 10:30

OPEN ECONOMY MACROECONOMICS (EEA)

Room D220

Chairperson: Gianluca Femminis, Università Cattolica di Milano and CEPR

DOMESTIC AND FOREIGN LENDERS AND INTERNATIONAL BUSINESS CYCLES

Raoul Minetti, Michigan State University

Co-Author(s): Matteo Iacoviello, Boston College

FIXED VERSUS FLEXIBLE EXCHANGE RATES: THEORY AND EVIDENCE FROM PVAR

Mathias Hoffmann, University of Cologne

TRADE COSTS, MARKET INTEGRATION, AND MACROECONOMIC VOLATILITY

Kanda Naknoi, Department of Economics, Stanford University

Co-Author(s): Allan Brunner, International Monetary Fund

CURRENCY ATTACKS WITH MULTIPLE EQUILIBRIA AND IMPERFECT INFORMATION: THE ROLE OF WAGE-SETTERS

Gianluca Femminis, Università Cattolica di Milano and CEPR

09:00 - 10:30

GROWTH, INSTITUTIONS AND TRANSITION (EEA)

Room D299

Chairperson: Zoubir Benhamouche, CEPREMAP

WAGE ARREARS IN TRANSITIONAL ECONOMIES: THE IMPLICATIONS FROM THE NEOCLASSICAL GROWTH MODEL

Dmytro Boyarchuk, EERC, Kyiv–Mohyla Academy

Co-Author(s): Lilia Maliar, University of Alicante and Serguei Maliar, University of Alicante

**SOCIALISM, CAPITALISM, AND TRANSITION -
COORDINATION OF ECONOMIC RELATIONS AND OUTPUT
PERFORMANCE**

Uwe Dulleck, University of Vienna

Co-Author(s): Dirk Bezemer, University of London and Paul

Frijters, Australian National University Canberra

**ON THE INTERPLAY BETWEEN INSTITUTIONAL AND
ECONOMIC REFORMS**

Zoubir Benhamouche, CEPREMAP

09:00 - 10:30

GROWTH AND DEVELOPMENT II (EEA)

Room D307

Chairperson: Marcelo Soto, DELTA

CONFLICT DIAMONDS

Ola Olsson, Göteborg University

**DOES GLOBALIZATION REDUCE POVERTY? SOME
EMPIRICAL EVIDENCE FOR THE DEVELOPING COUNTRIES**

Enrico Santarelli, Università di Bologna, Dipartimento di Scienze
Economiche

Co-Author(s): PAOLO Figini, Università di Bologna, Dipartimento
di Scienze Economiche

**HUMAN CAPITAL FORMATION, LIFE EXPECTANCY AND
THE PROCESS OF DEVELOPMENT**

Uwe Sunde, IZA and Bonn University

Co-Author(s): Matteo Cervellati, UPF, Barcelona and University
of Bologna

REDISCOVERING EDUCATION

Marcelo Soto, DELTA

09:00 - 10:30

BUSINESS CYCLE EVIDENCE (EEA)

Room D315

Chairperson: Richard Friberg, Stockholm School of
Economics

**TRADE INTENSITY AND BUSINESS CYCLE
SYNCHRONIZATION: ARE DEVELOPING COUNTRIES ANY
DIFFERENT?**

Cesar Calderon, Central Bank of Chile

**THE INFORMATIONAL CONTENT OF THE SPREAD AND
OTHER FINANCIAL VARIABLES IN EUROPE: COULD THE
LAST "RECESSION" HAVE BEEN PREDICTED?**

Javier Gomez Biscarri, IESE Business School, Universidad de
Navarra

**TESTING THE ROLE OF MONEY IN THE INFLATION
PROCESS**

Øyvind Eitrheim, Norges Bank (Central Bank of Norway)

**MICRO FOUNDATIONS OF MACROECONOMIC PRICE
ADJUSTMENT: SURVEY EVIDENCE FROM SWEDISH FIRMS**

Richard Friberg, Stockholm School of Economics
Co-Author(s): Mikael Apel, National Institute of Economic
Research and Kerstin Hallsten, Sveriges Riksbank

09:00 - 10:30

COMPETITION POLICY (EEA)

Room D320

Chairperson: Maarten Pieter Schinkel, Universiteit
Maastricht

**COLLECTIVE VS INDIVIDUAL SALE OF TV RIGHTS IN
LEAGUE SPORTS**

Sonia Falconieri, Tilburg University
Co-Author(s): Fred Palomino, Tilburg University and Jozsef
Sakovics, University of Edinburgh

**THE MODERNISATION OF EUROPEAN COMPETITION
POLICY: UNDERSTANDING THE SHIFT FROM EX ANTE TO
EX POST AUDIT.**

Frédéric Loss, Toulouse Business School
Co-Author(s): Fabian Bergès-Sennou, INRA-ESR, Toulouse and
University of Warwick, Estelle Malavolti-Grimal, ECARES,
Université Libre de Bruxelles and Thibaud Vergé, University of
Southampton

IMPERFECT ANTITRUST ENFORCEMENT

Maarten Pieter Schinkel, Universiteit Maastricht
Co-Author(s): Jan Tuinstra, Universiteit van Amsterdam

09:00 - 10:30

**FINANCIAL MARKETS: EMPIRICAL EVIDENCE II
(EEA)**

Room D397

Chairperson: Joachim Grammig, University of St.
Gallen

**INTRADAY PREDICTABILITY OF OVERNIGHT INTEREST
RATES**

Young-Sook Lee, University of Nottingham

**HOW LARGE IS LIQUIDITY RISK IN AN AUTOMATED
AUCTION MARKET?**

Joachim Grammig, University of St. Gallen
Co-Author(s): Pierre Giot, University of Namur

09:00 - 10:30

**INTERNATIONAL TRADE: EMPIRICAL EVIDENCE
III (EEA)**

Room B5

Chairperson: Axel Dreher, Mannheim University

GLOBALISATION AND SOCIAL SPENDING

Magdalena Polan, KU Leuven
Co-Author(s): Paul DE GRAUWE, University of Leuven

HAS THE EURO INCREASED TRADE?

Franc Klaassen, University of Amsterdam

Co-Author(s): Maurice Bun, University of Amsterdam

TRADE-INDUCED ADJUSTMENT WITH PRICE SETTING AGENTS

AKM Azhar, Graduate School of Management, Universiti Putra Malaysia

Co-Author(s): Robert Elliott, School of Economic Studies, University of Manchester

DOES GLOBALIZATION AFFECT GROWTH?

Axel Dreher, Mannheim University

09:00 - 10:30

LABOUR MARKET PROGRAMS (EEA)

Room F3154

Chairperson: Gulcin Gumus, IZA, Institute for the Study of Labor

THE IMPACT OF ACTIVE LABOR MARKET PROGRAMS ON MUNICIPAL SERVICES

Eva Mörk, Institute for Labour Market Policy Evaluation

UNEMPLOYMENT DURATION BEFORE AND AFTER NEW DEAL

Duncan McVicar, Northern Ireland Economic Research Centre

Co-Author(s): Jan Podivinsky, University of Southampton

COMPARING OPTION VALUE AND DYNAMIC PROGRAMMING MODEL ESTIMATES OF SOCIAL SECURITY DISABILITY INSURANCE APPLICATION

Gulcin Gumus, IZA, Institute for the Study of Labor

Co-Author(s): Richard V. Burkhauser, Cornell University and J. S. Butler, Cornell University

09:00 - 10:30

LABOUR MARKETS INSTITUTIONS AND PERFORMANCE III (EEA)

Room B3

Chairperson: Tim Worrall, Keele University

SURPRISING EFFECTS OF WORKING TIME REDUCTION

Matthias Weiss, Universität Mannheim

CYCLICAL FLUCTUATIONS IN WORKPLACE ACCIDENTS

Jan van Ours, Tilburg University

Co-Author(s): Jan Boone, Tilburg University

LABOUR MARKET PARTICIPATION AND MORTGAGE-RELATED BORROWING CONSTRAINTS

Renata Bottazzi, University College London, Institute for Fiscal Studies, London and CSEF, Salerno

UNEMPLOYMENT INSURANCE UNDER MORAL HAZARD AND LIMITED COMMITMENT: PUBLIC VERSUS PRIVATE PROVISION

Tim Worrall, Keele University
Co-Author(s): Jonathan Thomas, University of St Andrews

09:00 - 10:30

TECHNOLOGY, INNOVATION AND PRODUCTIVITY (EEA)

Room E397

Chairperson: Robert Inklaar, University of Groningen

GLOBALIZATION, DIVERGENCE AND LONG-RUN GROWTH

Gino Gancia, MIT and IIES

COMPETITION AND INNOVATION: AN INVERTED U RELATIONSHIP

Richard Blundell, University College London
Co-Author(s): Philippe Aghion, University College London, Rachel Griffith, Institute for Fiscal Studies and Peter Howitt, Brown University

THE DECISION TO PATENT, CUMULATIVE INNOVATION, AND OPTIMAL POLICY

Nisvan Erkal, University of Melbourne

ICT AND PRODUCTIVITY IN EUROPE AND THE UNITED STATES, WHERE DO THE DIFFERENCES COME FROM?

Robert Inklaar, University of Groningen

09:00 - 10:30

STABILIZATION POLICY (EEA)

Room D207

Chairperson: Stefan Dietrich Josten, Institute of Public Finance, University of the Federal Armed Forces, Hamburg

MONETARY AND FISCAL POLICY COORDINATION AND MACROECONOMIC STABILIZATION. A THEORETICAL ANALYSIS

Riccardo Rovelli, Università di Bologna
Co-Author(s): Luca Lambertini, University of Bologna

PRICE-LEVEL DETERMINACY, THE ZERO LOWER BOUND ON THE INTEREST RATE AND THE LIQUIDITY TRAP

Ragna Alstadheim, Howard University
Co-Author(s): Dale Henderson, Federal Reserve Board

Sunday 09:00 – 10:30 + 11:00 – 12:30

**THE LONG-TERM EFFECTS OF MONETARY REGIMES ON
FISCAL POLICY AND PRODUCTION**

Finn Østrup, Copenhagen Business School

**DYNAMIC FISCAL POLICIES, UNEMPLOYMENT, AND
ECONOMIC GROWTH**

Stefan Dietrich Josten, Institute of Public Finance, University of
the Federal Armed Forces, Hamburg

10:30 - 11:00

REFRESHMENTS

11:00 - 12:30

MARSHALL LECTURE

Room Aula Magna

Chairperson: Torsten Persson, Stockholm
University

KLEPTOCRACY AND DIVIDE-AND-RULE
Daron Acemoglu, Massachusetts Institute of
Technology

Co-Author(s): James Robinson, University of
California, Berkeley and Thierry Verdier, DELTA,
CEPR

12:30 - 14:00

LUNCH
