### SESSIONS

**WEDNESDAY 20TH AUGUST 2003**

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<td>09:00 - 10:30</td>
<td><strong>REVIEW OF ECONOMIC STUDIES LECTURE (ESEM)</strong>&lt;br&gt;Chairperson: Andrew Chesher (University College London)&lt;br&gt;<strong>THE VALUE OF IMPROVEMENTS IN HEALTH AND LONGEVITY</strong>&lt;br&gt;Kevin Murphy, University of Chicago&lt;br&gt;Discussant(s): James Banks, University College London</td>
<td>Room Aula Magna</td>
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<td>10:30 - 12:30</td>
<td><strong>EEA POSTER SESSION 1</strong></td>
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<td>10:30 - 12:30</td>
<td><strong>ACCESSION TRADE AND FDI (EEA)</strong>&lt;br&gt;Organizer: David Greenaway, University of Nottingham&lt;br&gt;<strong>FOREIGN DIRECT INVESTMENT IN CENTRAL AND EASTERN EUROPEAN COUNTRIES: A DYNAMIC PANEL ANALYSIS</strong>&lt;br&gt;Farid Toubal, Kiel University&lt;br&gt;Co-Author(s): Kai Carstensen, Kiel Institut for World Economics&lt;br&gt;<strong>TRADE ADVANTAGES AND SPECIALIZATION CONVERGENCE IN ACCESSION COUNTRIES</strong>&lt;br&gt;Andrea Zaghini, ECB - Bank of Italy&lt;br&gt;<strong>MODELLING THE ROLE OF FDI IN TRADE IN THE EU ACCESSION COUNTRIES</strong>&lt;br&gt;Olga Pomerantz, National Institute of Economic and Social Research&lt;br&gt;Co-Author(s): Ray Barrell, NIESR and Dawn Holland, NIESR&lt;br&gt;<strong>EXPORT-PLATFORM FOREIGN DIRECT INVESTMENT</strong>&lt;br&gt;Rikard Forslid, Stockholm University&lt;br&gt;Co-Author(s): Karolina Ekholm, Stockholm School of Economics and James Markusen, University of Colorado</td>
<td>Poster Area P1</td>
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Wednesday 10:30 – 12:30

10:30 - 12:30  EMPIRICAL LABOUR ECONOMICS (EEA)  Organizer: Pedro Mira, CEMFI  Poster Area P2

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
Martén Palme, Department of Economics, Stockholm University
Co-Author(s): Göran Broström, Department of Statistics, Umeå University

10:30 - 12:30  EXCHANGE RATES (EEA)  Organizer: Karim Abadir, University of York  Poster Area P3

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
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<td>POLITICAL INSTITUTIONS AND REDISTRIBUTION</td>
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<td>Thomas Renstrom, University of Durham</td>
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<td>INCENTIVE CONTRACTS FOR POLITICIANS AND THE</td>
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<td>INFORMATION EFFICIENCY OF A DEMOCRACY</td>
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<td>Verena Liessem, University of Heidelberg</td>
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<td>VOTERS’ AND POLITICIANS’ PREFERENCES FOR</td>
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<td>WELFARE SERVICES: DO THEY MATCH?</td>
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<td>Hanna Ågren, Department of Economics,</td>
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<td>Uppsala University</td>
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<td>Co-Author(s): Matz Dahlberg, Uppsala</td>
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<td>University and Eva Mörk, IFAU</td>
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<td>TERM LIMITS AND POLITICAL ACCOUNTABILITY</td>
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<td>Daniel Sturm, University of Munich</td>
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<td>Co-Author(s): Michael Smart, University of</td>
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<td>10:30 – 11:00</td>
<td>REFRESHMENTS</td>
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<td>INVITED SESSION</td>
<td>EEA</td>
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<td>ACADEMIC PUBLISHING: THE END OF EXPLOITATION?</td>
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<td>Chairperson: Tore Ellingsen, Stockholm</td>
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<td>ACADEMIC PUBLISHING THE END OF EXPLOITATION?</td>
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<td>Ted Bergstrom, University of California,</td>
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<td>Santa Barbara, Aaron Edlin, University of</td>
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<td>California, Berkeley, Mark McCabe, Georgia</td>
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<td>Institute of Technology and Hanns Peter</td>
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<td>Nehl, European Commission</td>
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<td>11:00 - 12:30</td>
<td>CONTRIBUTED SESSIONS</td>
<td>ESEM: Theoretical and Applied Economics</td>
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<td>GAME THEORY I (ET)</td>
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<td>Chairperson: Martin Meier, CORE-UCL</td>
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<td>ADAPTATION AND COMPLEXITY IN REPEATED GAMES</td>
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<td>Eliot Maenner, University of Essex</td>
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## 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

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| 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)  Room E497
Chairperson: Dirk Van de gaer, Ghent University, SHERPPA

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 Weerdt, CES, KULeuven

11:00 - 12:30  ASSET MARKETS (ET)  Room F12
Chairperson: Ani Guerdjikova, Alfred Weber Institute, University of Heidelberg

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)  Room F220
Chairperson: Chen-Ying Huang, National Taiwan University, Department of Economics

A COMPENSATION RULE FOR PROJECT-ALLOCATION GAMES
Yuan Ju, CentER, Tilburg University
Co-Author(s): Pieter Ruys, CentER and TIAS Business School, Tilburg University
Wednesday 11:00 – 12:30

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

11:00 - 12:30 BUSINESS GROUPS IN EMERGING MARKETS - SUBSTITUTES FOR MISSING INSTITUTIONS
Christa Hainz, University of Munich

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

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

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

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
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 Luginbuhl, Free University Amsterdam

11:00 - 12:30

MONETARY POLICY TRANSMISSION I (EC)
Chairperson: Eric Swanson, Federal Reserve Board
Room F413

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)
Chairperson: Enrique Lopez-Bazo, AQR-University of Barcelona
Room F420

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, Ibmec Business School

FORECASTING WITH CYCLICAL STOCHASTIC VOLATILITY
Ilias Tsiakas, Warwick Business School

FORECASTING VOLATILITY USING A CONTINUOUS TIME MODEL
Maria Helena Veiga, Universitat Autonoma de Barcelona and Universidade do Porto

STOCHASTIC VOLATILITY MODELS WITH MARKOV REGIME SWITCHING STATE EQUATIONS
Pedro L. Valls Pereira, Ibmec Business School
Co-Author(s): Soosung Hwang, Cass Business School and Steve E. Satchell, University of Cambridge
Wednesday 11:00 – 12:30

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

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<td>Ajay Agrawal, Queen&lt;br&gt;Co-Author(s): Lorenzo Garlappi, University of Texas at Austin</td>
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<td>EMPLOYMENT PROTECTION AND PRODUCT MARKET COMPETITION</td>
<td>Sebastian Kessing, Free University Berlin</td>
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<td>INTERGENERATIONAL REPUTATION TRANSFER</td>
<td>Hendrik Hakenes, University of Mannheim</td>
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<td>OPTIMAL LOCATION UNDER DEMAND UNCERTAINTY</td>
<td>Axel F.A. Adam-Müller, University of Konstanz, Germany&lt;br&gt;Co-Author(s): Kit Pong Wong, Hong Kong University, School of Economics and Finance</td>
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11:00 - 12:30  PUBLIC ECONOMICS (EEA)  Room C497
Chairperson: Dag Morten Dalen, Norwegian School of Management

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<td>REGIONAL POLICIES AND INEQUALITIES: ARE SUBSIDIES GOOD FOR YOU?</td>
<td>Vincent Dupont, University of Lille 1&lt;br&gt;Co-Author(s): Philippe Martin, University of Paris 1, CERAS and CEPR</td>
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<td>DISCRETE PUBLIC GOODS: CONTRIBUTION LEVELS AND LEARNING AS OUTCOMES OF AN EVOLUTIONARY GAME</td>
<td>Christiane Clemens, University of Hannover&lt;br&gt;Co-Author(s): Thomas Riechmann, University of Magdeburg</td>
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<td>SEQUENCING LIFELINE REPAIRS AFTER AN EARTHQUAKE: AN ECONOMIC APPROACH</td>
<td>Marco Casari, Universitat Autonoma de Barcelona&lt;br&gt;Co-Author(s): Simon Wilkie, California Institute of Technology and Federal Communications Commission</td>
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<td>THE PROPER SCOPE OF GOVERNMENTS WHEN COSTS ARE CONTRACTIBLE</td>
<td>Dag Morten Dalen, Norwegian School of Management&lt;br&gt;Co-Author(s): Espen Moen, Norwegian School of Management</td>
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<td><strong>MONETARY POLICY I (EEA)</strong></td>
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<td>Chairperson: Giorgio Primiceri, Princeton University</td>
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<td><strong>MONEY GROWTH RULES, LIQUIDITY EFFECTS, AND OUTPUT PERSISTENCE</strong></td>
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<td><strong>TRADE CREDIT, BANK LENDING AND MONETARY POLICY TRANSMISSION</strong></td>
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<td><strong>OPTIMAL MONETARY POLICY AND PRODUCTIVITY GROWTH</strong></td>
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<td><strong>TIME VARYING STRUCTURAL VECTOR AUTOREGRESSIONS AND MONETARY POLICY</strong></td>
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<td><strong>FIRM BEHAVIOUR (EEA)</strong></td>
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<td>Chairperson: Susanne Prantl, Institute for Fiscal Studies and University College London</td>
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<td><strong>DUALITY THEORY OF NONCONVEX TECHNOLOGIES</strong></td>
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<td><strong>THE IMPACT OF TRAINING INTENSITY ON ESTABLISHMENT PRODUCTIVITY</strong></td>
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<td>11:00 - 12:30</td>
<td><strong>BANKING I (EEA)</strong></td>
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<td>Chairperson: Luca Casolaro, Banca d'Italia, Servizio Studi</td>
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<td><strong>BANKS’ RISK, MORAL HAZARD AND CAPITALIZATION</strong></td>
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<td><strong>DEBT DEFLATION AND BANK RECAPITALIZATION</strong></td>
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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, Universita’ del Molise |
| 11:00 - 12:30| EMPIRICAL MACROECONOMICS (EEA)         | 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)                       | 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)  Room D307

Chairperson: Silvia Magri, Bank of Italy

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)  Room D315

Chairperson: Andreas Ziegler, Centre for European Economic Research (ZEW)

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)  Room D320

Chairperson: Michael Gerfin, Department of Economics, University of Bern

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

INTERNATIONAL TRADE (EEA)
11:00 - 12:30
Chairperson: Mary Amiti, University of Melbourne
Room D397

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

LABOUR CONTRACTS (EEA)
11:00 - 12:30
Chairperson: Nathalie Havet, CIRPEE, Laval University
Room E397

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

FISCAL POLICY (EEA)
11:00 - 12:30
Chairperson: Gerhard Reitschuler, Oesterreichische Nationalbank
Room F3154

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)
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)
Chairperson: Patricia Langohr, Northwestern University

BUNDLING E-JOURNALS
Doh-Shin Jeon, Universitat Pompeu Fabra
Co-Author(s): Domenico Menicucci, Universita 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
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<td><strong>ENDOGENOUS GROWTH (ET)</strong></td>
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<td>Chairperson: Dirk Bethmann, Humboldt University Berlin</td>
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<td><strong>A TALE OF TWO GROWTHS: MODELING STOCHASTIC ENDOGENOUS GROWTH AND GROWTH STOCKS</strong></td>
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<td>Steven Kou, Columbia University</td>
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<td>Co-Author(s): Samuel Kou, Harvard University</td>
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<td><strong>CONTEST FOR ATTENTION IN A QUALITY-LADDER MODEL OF ENDOGENOUS GROWTH</strong></td>
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<td>Volker Grossmann, University of Zurich</td>
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<td><strong>CONVERGENT CYCLICAL BEHAVIOR IN ENDOGENOUS GROWTH WITH HOUSING</strong></td>
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<td>Paulo Brito, UECE-ISEG, Universidade Tecnica de Lisboa</td>
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<td>Co-Author(s): Alfredo Pereira, Department of Economics, College of William and Mary</td>
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<td><strong>TRANSITIONAL DYNAMICS IN THE UZAWA LUCAS MODEL OF ENDOGENOUS GROWTH</strong></td>
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<td>Dirk Bethmann, Humboldt University Berlin</td>
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<td>14:00 - 16:00</td>
<td><strong>PREFERENCES AND DECISION-MAKING I (ET)</strong></td>
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<td><strong>A THEOREM ON PREFERENCE AGGREGATION</strong></td>
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<td>Salvador Barberà, Universitat Autònoma de Barcelona</td>
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<td>Vicki Knoblauch, University of Connecticut</td>
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<td><strong>PRECEDENCE RELATIONS AND DESIRABILITY OF STOCHASTIC CHANGES</strong></td>
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<td>W. Henry Chiu, University of Manchester</td>
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<td><strong>INVESTMENT TIMING UNDER INCOMPLETE INFORMATION</strong></td>
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<td>Jean-Paul Decamps, GREMAQ Université de Toulouse 1</td>
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<td>Co-Author(s): Thomas Mariotti, London School of Economics and Stephane Villeneuve, University of Toulouse GREMAQ</td>
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<td><strong>MECHANISM DESIGN (ET)</strong></td>
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<td>Chairperson: Robert Gary-Bobo, University of Cergy-Pontoise</td>
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<td><strong>HONESTY-PROOF IMPLEMENTATION</strong></td>
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<td>Hitoshi Matsushima, University of Tokyo</td>
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IMPLEMENTATION BY DECENT MECHANISMS  
Clara Ponsati, Universitat Autonoma 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)  
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 INFERENC E  
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)  
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
Wednesday 14:00 – 16:00

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)  
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)  
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)
Chairperson: Hamid Faruqee, International Monetary Fund
Room F389

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): Péter 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 Faruqee, 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)
Chairperson: Federico Bandi, Graduate School of Business, University of Chicago
Room F397

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)

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

**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

**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
Wednesday 14:00 – 16:00

14:00 - 16:00

**CONTRIBUTED SESSIONS**

**EEA**

**INDUSTRIAL ORGANISATION II (EEA)**

*Chairperson: Felipe Zurita, Pontificia Universidad Católica de Chile*

*Room A5137*

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

**PUBLIC FINANCE I (EEA)**

*Chairperson: Oliver Lorz, University of Kiel*

*Room C497*

**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)  Room D207

Chairperson: Carlo Devillanova, Università Bocconi

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, Universita 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)  Room D220

Chairperson: Michael Schroeder, Zentrum fuer Europäische Wirtschaftsforschung (ZEW) Mannheim

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)  Room D299

Chairperson: Yannick Gabuthy, GATE UMR 5824 CNRS, University Lyon 2

SHOULD WE WRITE PRE-NUPITAL CONTRACTS?
Helmut Rainer, Department of Economics, University of Essex
EQUILIBRIUM INCENTIVE CONTRACTS
Asa 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)
Chairperson: Thomas Lindh, Uppsala university
Room D307

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)
Chairperson: Alessandro Tarozzi, Duke University
Room D315

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
Miklos Koren, Harvard University

14:00 - 16:00 PREFERENCES II (EEA) Room E397
Chairperson: Liang Zou, University of Amsterdam

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) Room F3154
Chairperson: Marco Maffezzoli, Università Bocconi

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

### FINANCIAL MARKETS I (EEA)
Chairperson: Massimo Guidolin, University of Virginia

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<td>Gawon Yoon, Pusan National University</td>
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<td>INFORMATION ACQUISITION, STRATEGIC LIQUIDITY TRADING, AND MARKET EFFICIENCY</td>
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<td>Tri Vi Dang, University of Mannheim</td>
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<td>HIGH EQUITY PREMIA AND CRASH FEARS. RATIONAL FOUNDATIONS.</td>
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<td>Massimo Guidolin, University of Virginia</td>
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<td>STAGING OF VENTURE FINANCING, MORAL HAZARD, AND PATENT LAW</td>
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<td>Jochen Bigus, University of Hamburg, Institute of Law and Economics</td>
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### MONETARY POLICY II (EEA)
Chairperson: Tor Einarsson, University of Iceland

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<td>FEEDBACK RULES AND TIME-CONSISTENT POLICYMAKING IN NON-RICARDIAN WORLD</td>
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<td>Tatiana Kirsanova, University of Exeter</td>
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<td>Co-Author(s): Andrew Blake, CCBS, Bank of England</td>
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<td>CREDIBILITY OF INFLATION TARGETS IN POLAND</td>
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<td>Wojciech Maliszewski, International Monetary Fund</td>
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<td>TEMPORARY AND PERMANENT LIQUIDITY EFFECTS IN THE EURO AREA</td>
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<td>Julius Moschitz, Universitat Autonoma de Barcelona</td>
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<td>BANK INTERMEDIATION AND PERSISTENT LIQUIDITY EFFECTS IN THE PRESENCE OF A FRICIONLESS BOND MARKET</td>
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<td>Tor Einarsson, University of Iceland</td>
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Wednesday 14:00 – 16:00

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

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 fur 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)  Room D8
Chairperson: Benoit Mulkay, INSEE - Midi-Pyrénées

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
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<td>Chairperson: Peter Neary, University College Dublin</td>
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<td>Torsten Persson, Stockholm University</td>
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<td>YOUNG ECONOMIST AWARD</td>
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<td>18:00 - 19:00</td>
<td>OFFICIAL LAUNCH OF JEEA – EEA’s NEW JOURNAL</td>
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<td>EEA GENERAL ASSEMBLY</td>
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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)  
Chairperson: Gerard van der Laan, Free University Amsterdam  
Room C6

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)  
Chairperson: René Garcia, Université de Montréal  
Room E10

HOW OFTEN TO SAMPLE A CONTINUOUS-TIME PROCESS IN THE PRESENCE OF MARKET MICROSTRUCTURE NOISE  
Yacine Aït-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)  
Chairperson: Isabel Correia, Banco de Portugal, DEE  
Room B4

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
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<td>Joao Cesar de las Neves, Bank of Portugal</td>
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<td>Co-Author(s): Ariel Burstein, University of Michigan and Sergio Rebelo, Kellogg Business School - Northwestern University</td>
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<td>09:00 – 10:30</td>
<td>EVALUATION OF EDUCATION POLICY INTERVENTIONS (EEA)</td>
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<td>THE IMPACT OF SCHOOL ACCOUNTABILITY ON THE LEVEL AND DISTRIBUTION OF STUDENT PERFORMANCE</td>
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<td>Eric Hanushek, Hoover Institution, Stanford University</td>
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<td>Co-Author(s): Margaret Raymond, Hoover Institution</td>
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<td>PAYING FOR PERFORMANCE: THE EFFECT OF TEACHERS EFFORT AND STUDENTS SCHOLASTIC OUTCOMES</td>
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<td>Victor Lavy, Hebrew University of Jerusalem</td>
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<td>EDUCATION IN CITIES: EVALUATION OF AN EDUCATION POLICY IN DISADVANTAGED AREAS</td>
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<td>Steve Machin, University College London</td>
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<td>AUCTIONING MANY DIVISIBLE GOODS</td>
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<td>Lawrence Ausubel, University of Maryland</td>
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<td>Jacob Goeree, University of Amsterdam</td>
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<td>DESIGNING AN EFFICIENT PRIVATE INDUSTRY</td>
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<td>Philippe Jehiel, University College London</td>
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<td>Co-Author(s): Benny Moldovanu, Bonn University</td>
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<td>RECENT RESEARCH ON THE EURO AND SWEDEN'S DECISION (EEA)</td>
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<td>Organizer: Richard Baldwin, Graduate Institute of</td>
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<td>RECENT RESEARCH ON THE EURO AND SWEDEN'S DECISION</td>
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<td>Lorenzo Codogno, Bank of America, London, Nils Gottfries,</td>
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<td>Uppsala University, Philip Lane, Trinity College Dublin</td>
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<td>Alejandro Micco, Inter-American Development Bank</td>
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<td>GENDER SEGREGATION AND WAGE GAPS IN GERMANY: WHEN ARE 'FEMALE' OCCUPATIONS PAYING MORE?</td>
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<td>Stepan Jurajda, CERGE-EI</td>
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<td>Co-Author(s): Heike Harmgart, Humboldt Universitat zu Berlin and UCL</td>
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<td>HIRING DISCRIMINATION IN THE FRENCH FINANCIAL SECTOR: A PAIR AUDIT STUDY</td>
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<td>Pascale Petit, EUREQua, University of Paris 1</td>
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<td>THE GENDER WAGE GAP AND SEX SEGREGATION IN FINLAND</td>
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<td>Tomi Kyyrä, Government Institute for Economic Research</td>
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<td>Philipp Harms, Study Center Gerzensee and University of Konstanz</td>
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<td><strong>IS THERE A CASE FOR STERILIZING FOREIGN AID INFLOWS</strong></td>
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<td><strong>A META-ANALYSIS OF MONEY DEMAND</strong></td>
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<td><strong>MONEY DEMAND DURING HYPERINFLATION AND STABILIZATION: BULGARIA, 1991-2000</strong></td>
<td>Stefka Slavova, World Bank and London School of Economics</td>
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<td>Samuel Reynard, Swiss National Bank</td>
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<td>Christoph Borgmann, Department of Public Finance, University of Freiburg i. Brsg</td>
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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 Feve, 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 Tykvova, ZEW

EFFECTS OF AIRLINE ALLIANCES ON FARES ON THE TRANSATLANTIC MARKET: SOME EMPIRICAL EVIDENCE
Volodymyr Bilotkach, University of Arizona, Department of Economics
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<td>Ani Guerdjikova, Alfred Weber Institute, University of Heidelberg</td>
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<td>Axel Gautier, CEREC, FUSL and CORE</td>
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<td>Konrad Stahl, University of Mannheim</td>
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<td>Co-Author(s): Patrick Legros, Université Libre de Bruxelles</td>
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<td>Ingmar Nyman, Hunter College, CUNY</td>
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<td>Co-Author(s): Jason Cummins, Federal Reserve Board</td>
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Thomas Riechmann, University of Magdeburg
Thursday 11:00 – 12:30

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

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

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): Pascalis Raimondos-Møller, Economic Policy Research Unit, University of Copenhagen

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

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
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<td>Panu Poutvaara, Centre for Economic and Business Research</td>
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<td>Co-Author(s): Morten Lau, Centre for Economic and Business Research and Andreas Wagener, University of Vienna</td>
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<td>Co-Author(s): Parantap Basu, Fordham University</td>
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<td>DRIVING COWBOYS AND MODERN CAR DEALERS</td>
<td>Co-Author(s): Sabine Boeckem, University of Dortmund</td>
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<td>CONTRACTUAL SOLUTION TO THE HOLD-UP PROBLEM IN SUPPLY CHAIN</td>
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<td>UNOBSERVABLE BARGAINING POWER, FAIRNESS AND THE HOLD-UP PROBLEM</td>
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<td>CEO COMPENSATION: WHEN ARE DIFFERENT CONTRACTUAL FORMS EQUIVALENT?</td>
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<td>Co-Author(s): Frédéric Loss, Toulouse Business School</td>
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<td>Co-Author(s): Elena Gennari, Bank of Italy and Sandro Momigliano, Bank of Italy</td>
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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)
Chairperson: Mathias Hoffmann, University of Dortmund
Room F299

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)
Chairperson: Helmut Lütkepohl, European University Institute
Room D7

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
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<td>Antonio Spilimbergo, International Monetary Fund Co-Author(s): Rupa Duttagupta, IMF</td>
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<td><strong>INTERPRETING IMPLIED RISK-NEUTRAL DENSITIES: THE ROLE</strong></td>
<td>David Vestin, European Central Bank Co-Author(s): Peter Hoerdahl, ECB</td>
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<td>Jonas Andersson, Uppsala University Co-Author(s): Paul Newbold, University of Nottingham</td>
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<td><strong>THE EFFECTS OF SYSTEMATIC MONETARY POLICY ON SECTORS:</strong></td>
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<td><strong>NONLINEARITY IN THE FED'S MONETARY POLICY RULE</strong></td>
<td>Dong Heon Kim, School of Economic Studies, University of Manchester Co-Author(s): Denise R. Osborn, University of Manchester and Marianne Sensier, University of Manchester</td>
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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-INIVIDUAL 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 Institute 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-Diaz, Universidad de Alicante

THE EXTENDED COASEAN APPROACH TO ECONOMIC POLICY
Alberto Chilosi, University of Pisa, Italy

PUBLIC OPINION AND THE DYNAMICS OF REFORM
Sanjay Jain, University of Virginia
Co-Author(s): Sharun W. Mukand, Tufts University
### Thursday 11:00 – 12:30

**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

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**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

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**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
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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): Harminder Battu, University of Aberdeen and McDonald Mwale, University of Aberdeen

11:00 - 12:30
R&D AND INNOVATIONS (EEA)
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

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GROWTH AND DEVELOPMENT (EEA)
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
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<td>Renata Serra, University of Cambridge, UK</td>
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<td>Co-Author(s): Chris Cornwell, University of Georgia and Kyunghee Lee, University of Georgia</td>
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<td>THE EFFECT OF EXTRA FUNDING FOR DISADVANTAGED STUDENTS ON ACHIEVEMENT</td>
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<td>Hessel Oosterbeek, University of Amsterdam</td>
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<td>Co-Author(s): Edwin Leuven, University of Amsterdam, Mikael Lindahl, University of Amsterdam and Dinand Webbink, CPB</td>
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<td>11:00 - 12:30</td>
<td>AID (EEA)</td>
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<td>Chairperson: Boriana Yontcheva, International Monetary Fund</td>
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<td>HOW DOES CONDITIONAL AID (NOT) WORK?</td>
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<td>Rodney Ramcharan, International Monetary Fund</td>
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<td>EFFECT OF IMF PROGRAMMES ON GROWTH: A REAPPRAISAL USING THE METHOD OF MATCHING</td>
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<td>Ines Hardoy, Institute for Social Research</td>
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<td>HIERARCHY AND AUTHORITY IN A DYNAMIC PERSPECTIVE</td>
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<td>Boriana Yontcheva, International Monetary Fund</td>
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<td>BUSINESS CYCLES (EEA)</td>
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<td>Chairperson: Magnus Jonsson, Sveriges Riksbank</td>
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<td>COMPLEX DIXIT-STIGLITZ DYNAMICS</td>
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<td>Ingrid Kubin, University of Economics and BA, Vienna</td>
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<td>Co-Author(s): Martin Currie, University of Manchester</td>
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<td>FAIR WAGES IN A NEW KEYNESIAN MODEL OF THE BUSINESS CYCLE</td>
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<td>Jean-Pierre Danthine, University of Lausanne</td>
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<td>Co-Author(s): Andre Kurmann, UQAM</td>
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<td>INFLATION, MARKUPS AND MONETARY POLICY</td>
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<td>Magnus Jonsson, Sveriges Riksbank</td>
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<td>Co-Author(s): Stefan Palmqvist, Sveriges Riksbank</td>
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<td>COLLUSION, COORDINATION IN LOBBYING, AND PRICE-CAP REGULATION IN THE U.S. MOBILE TELECOMMUNICATIONS&lt;br&gt;Astrid Jung, WZB and Humboldt University Berlin&lt;br&gt;Co-Author(s): Tomaso Duso, University of Vienna and WZB</td>
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<td>THE POLITICAL ECONOMY OF EUROPEAN MERGER CONTROL: EVIDENCE USING STOCK MARKET DATA&lt;br&gt;Tomaso Duso, University of Vienna and WZB&lt;br&gt;Co-Author(s): Damien J. Neven, Graduate Institute of International Studies Geneva and CEPR and Lars-Hendrik Röller, WZB, Humboldt University and CEPR</td>
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<td>MERGERS WITH SUPPLY FUNCTIONS&lt;br&gt;Ugur Akgun, IDEA, Universitat Autònoma de Barcelona</td>
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<td>14:00 - 16:00</td>
<td><strong>POLITICAL ECONOMY I (ET)</strong>&lt;br&gt;Chairperson: Luca Colombo, Catholic University, Milano</td>
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<td>ANARCHY AND DEMAND FOR THE STATE IN A TRADE ENVIRONMENT&lt;br&gt;Anna Rubinchik-Pessach, University of Colorado at Boulder&lt;br&gt;Co-Author(s): Roberto Samaniego, George Washington University</td>
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<td>CORRUPTION AND TRANSPARENCY IN A GROWTH MODEL&lt;br&gt;Christopher Ellis, University of Oregon&lt;br&gt;Co-Author(s): John Fender, University of Birmingham</td>
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<td>ENDOGENOUS LOBBYING&lt;br&gt;Leonardo Felli, London School of Economics&lt;br&gt;Co-Author(s): Antonio Merlo, Department of Economics, University of Pennsylvania</td>
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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)
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

CHOOSEY 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)
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

OUTPUT DYNAMICS AND PERSISTENCE IN OPEN ECONOMIES
Martial Dupaigne, Toulouse University
Co-Author(s): Thepthida Sopraseuth, University of Evry, EPEE and CEPREMAP
Thursday 14:00 – 16:00

14:00 - 16:00  
**AUCTIONS II (ET)**  
Chairperson: Gabriella Chiesa, Economics Department, Universita’ Bologna

**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, Universita’ Bologna

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

**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

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

**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 Autonoma 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)
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)
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 $\lambda_L$ 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)
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
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<td>IDENTIFICATION AND ESTIMATION (EC)</td>
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<td>Chairperson: Andrew Chesher, University College London</td>
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<td>IDENTIFICATION AND ESTIMATION OF DYNAMIC DISCRETE GAMES</td>
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<td>Pedro Mira, CEMFI</td>
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<td>Co-Author(s): Victor Aguirregabiria, Boston University</td>
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<td>IDENTIFICATION AND MIS-SPECIFICATION ISSUES IN FORWARD-LOOKING MODELS</td>
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<td>Sophocles Mavroeidis, University of Amsterdam</td>
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<td>IDENTIFICATION OF EFFECTS OF DYNAMIC TREATMENTS WITH A DIFFERENCE-IN-DIFFERENCES APPROACH</td>
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<td>Ruth Miquel, SIAW, University of St. Gallen</td>
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<td>SEMIPARAMETRIC IDENTIFICATION IN DURATION MODELS</td>
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<td>Andrew Chesher, University College London</td>
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| 14:00 - 16:00| INTEREST RATES (EC)                                                      | Room F315  |
|              | Chairperson: Viviana Fernandez, Dept. of Industrial Engineering, University of Chile |            |
|              |                                                                           |            |
|              | 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   |            |
Thursday 14:00 – 16:00

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

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)  Room D9
Chairperson: Helene Rey, Princeton University and CERAS

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
Thursday 14:00 – 16:00

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

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)  Room F413
Chairperson: Peter Boswijk, Universiteit van Amsterdam

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
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<td>14:00 - 16:00</td>
<td>POLITICAL ECONOMY II (EEA)</td>
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<td>Chairperson: Carmelo Rodriguez-Alvarez, Dept. Economics, University of Warwick</td>
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<td>PROVINCIAL PROTECTIONISM</td>
<td>Konstantin Sonin, New Economic School and CEFIR</td>
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<td>Jo Thori Lind, University of Oslo</td>
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<td>WHY LEGISLATORS ARE PROTECTIONISTS: THE ROLE OF MAJORITARIAN VOTING IN SETTING TARIFFS</td>
<td>Gerald Willmann, University of Kiel</td>
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<td>CANDIDATE STABILITY AND PROBABILISTIC VOTING PROCEDURES</td>
<td>Carmelo Rodriguez-Alvarez, Dept. Economics, University of Warwick</td>
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<td>14:00 - 16:00</td>
<td>INDUSTRIAL ORGANISATION III (EEA)</td>
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<td>Chairperson: Anette Boom, Social Science Research Center Berlin</td>
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<td>MEDIA COMPETITION WHEN THE AUDIENCE DISLIKES ADVERTISING</td>
<td>Tore Nilssen, University of Oslo</td>
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<td>Co-Author(s): Pedro Barros, Universidade Nova de Lisboa, Hans Jarle Kind, Institute for Research in Economics and Bus. Adm. and Lars Sørgard, Norwegian School of Economics</td>
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<td>ADVERTISING, BRAND LOYALTY AND PRICING</td>
<td>Ioana Chioveanu, Universitat Autonoma de Barcelona</td>
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<td>INVESTMENTS IN ELECTRICAL GENERATING CAPACITY UNDER DIFFERENT MARKET STRUCTURES WITH PRICE RESPONSIVE DEMAND</td>
<td>Anette Boom, Social Science Research Center Berlin</td>
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### Thursday 14:00 – 16:00

#### Room D207

**PUBLIC FINANCE II (EEA)**
Chairperson: Christian Kelders, CES, University of Munich

- **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

#### Room D220

**EXCHANGE RATES I (EEA)**
Chairperson: Alejandro Micco, Inter-American Development Bank

- **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
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<td><strong>MONETARY POLICY IV (EEA)</strong></td>
<td>Nuno Alves, Banco de Portugal</td>
<td>Room D299</td>
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<td><strong>MONETARY AND FISCAL POLICY INTERACTIONS IN</strong></td>
<td>Henrik Jensen, University of Copenhagen</td>
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<td><strong>A MICRO-FOUNDED MODEL OF A MONETARY UNION</strong></td>
<td>Co-Author(s): Roel Beetsma, University of Amsterdam</td>
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<td><strong>MONETARY POLICY AND ASSET PRICE FLUCTUATIONS</strong></td>
<td>Charlotta Groth, Bank of England</td>
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<td><strong>ON (SUB)OPTIMAL MONETARY POLICY RULES UNDER</strong></td>
<td>Paolo Zagaglia, Department of Economics, Stockholm University</td>
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<td><strong>UNTIED FISCAL HANDS</strong></td>
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<td><strong>THE DISTRIBUTION OF LIQUIDITY IN A MONETARY UNION</strong></td>
<td>Nuno Alves, Banco de Portugal</td>
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<td>14:00 - 16:00</td>
<td><strong>GROWTH AND TECHNOLOGY I (EEA)</strong></td>
<td>Andreas Irmen, University of Mannheim</td>
<td>Room D307</td>
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<td><strong>LOSE A FLY TO CATCH A TROUT? ON DUAL GROWTH</strong></td>
<td>Richard Nahuis, CPB and Utrecht School of Economics</td>
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<td><strong>ACCOUNTING IN A DYNAMIC ECONOMY</strong></td>
<td>Co-Author(s): Bas Jacobs, University of Chicago</td>
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<td><strong>DIRECTED SECTOR AND SKILL-SPECIFIC</strong></td>
<td>Juergen Antony, University of Augsburg, Department of Economics</td>
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<td><strong>TECHNOLOGICAL CHANGE: THE DEVELOPMENT OF</strong></td>
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<td><strong>WAGES FOR THE HIGH AND LOW SKILLED</strong></td>
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<td><strong>OPTIMAL CAPITAL ACCUMULATION AND EMBODIED</strong></td>
<td>Bruno Cruz, IRES, Université Catholique de Louvain</td>
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<td><strong>TECHNOLOGICAL PROGRESS UNDER UNCERTAINTY</strong></td>
<td>Co-Author(s): Aude Pommeret, DEEP-HEC Université de Lausanne</td>
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<td><strong>CAPITAL ACCUMULATION, FACTOR PRICES, AND</strong></td>
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<td><strong>ENDOGENOUS LABOR-SAVING TECHNICAL CHANGE</strong></td>
<td>Andreas Irmen, University of Mannheim</td>
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<td>14:00 - 16:00</td>
<td><strong>DEMAND ANALYSIS AND FAMILY ECONOMICS</strong></td>
<td>Giam Pietro Cipriani, Department of Economics, University of Bristol and University of Verona</td>
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<td><strong>LEAVING HOME IN EUROPE: THE ROLE OF PARENT'S AND</strong></td>
<td>David Le Blanc, CREST</td>
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<td><strong>CHILD'S INCOMES</strong></td>
<td>Co-Author(s): François-Charles Wolff, LEN-CEBS University of</td>
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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)
Chairperson: George Sheldon, University of Basle
Room D320

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)
Chairperson: Hannes Egli, ETH Zurich, Institute of Economic Research
Room D397

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
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)
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

PRIVATE ENTERPRISES AND LABOR MARKET PERFORMANCE
Rachel Ngai, London School of Economics
Co-Author(s): Johannes Horner, Northwestern University and Claudia Olivetti, Boston University

14:00 - 16:00 PREFERENCES (EEA)
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
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<td><strong>AUCTIONS II (EEA)</strong></td>
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<td>Chairperson: Ariane Lambert Mogiliansky, CERAS, Ecole Nationale des Ponts et Chaussées, CNRS URA 2036, Paris</td>
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<td><strong>EQUILIBRIA IN MULTI-UNIT PRIVATE VALUE AUCTIONS</strong></td>
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<td>Michal Bresky, CERGE</td>
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<td><strong>SIMULTANEOUS ASCENDING BID AUCTIONS WITH BUDGET CONSTRAINTS</strong></td>
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<td>Giuseppe Lopomo, Duke University</td>
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<td>Co-Author(s): Sandro Brusco, New York University</td>
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<td><strong>LIQUIDITY CONSTRAINTS AND CREDIT SUBSIDIES IN AUCTIONS.</strong></td>
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<td>Jose Quintero, Universidad Carlos III de Madrid</td>
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<td><strong>CORRUPTION AND COLLUSION IN PROCUREMENT TENDERS</strong></td>
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<td>Ariane Lambert Mogiliansky, CERAS, Ecole Nationale des Ponts et Chaussées, CNRS URA 2036, Paris</td>
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<td>Co-Author(s): Konstantin Sonin, New Economic School and CEFIR</td>
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<td>14:00 - 16:00</td>
<td><strong>WAGE DISPERSION (EEA)</strong></td>
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<td>Chairperson: Alexander Hijzen, University of Nottingham</td>
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<td><strong>FOREIGN FIRMS AND INDONESIAN MANUFACTURING WAGES: AN ANALYSIS WITH PANEL DATA</strong></td>
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<td>Fredrik Sjoholm, Stockholm School of Economics</td>
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<td>Co-Author(s): Robert E. Lipsey, NBER</td>
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<td><strong>FIRMS’ HETEROGENEITY IN CAPITAL/LABOR RATIOS AND WAGE INEQUALITY</strong></td>
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<td>Marco Leonardi, IZA</td>
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<td><strong>CAPITAL-SKILL COMPLEMENTARITY AND INEQUALITY OVER THE BUSINESS CYCLE</strong></td>
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<td>Matthew Lindquist, Department of Economics, Stockholm University</td>
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<td><strong>FRAGMENTATION, PRODUCTIVITY AND RELATIVE WAGES IN THE UK: A GENERAL EQUILIBRIUM APPROACH</strong></td>
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<td>Alexander Hijzen, University of Nottingham</td>
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Thursday 14:00 – 16:00

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
### Thursday 14:00 – 16:00

**PUBLIC ECONOMICS II (EEA)**  
Chairperson: Ronald Wendner, Graz University, Dept. of Economics  
Room B4

1. **A NEW LOOK AT THE TWO-MODE PROBLEM**  
   Marvin Kraus, Boston College

2. **TOWARD A MORE GENERAL THEORY OF VOLUNTARY COOPERATION**  
   Ratna Shrestha, University of British Columbia

3. **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

4. **KEEPING UP WITH THE JONESES, THE ENVIRONMENT, AND OPTIMAL TAXES**  
   Ronald Wendner, Dept. of Economics, Graz University

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**BANKING II (EEA)**  
Chairperson: Laura D’Amato, Central Bank of Argentina and UNLP  
Room D8

1. **THE GREAT BANKS’ DEPRESSION - DEPOSIT WITHDRAWALS IN THE GERMAN CRISIS OF 1931**  
   Isabel Schnabel, Department of Economics, University of Mannheim

2. **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

3. **BANK CAPITAL AND LENDING BEHAVIOR: EMPIRICAL EVIDENCE FOR ITALY**  
   Paolo Emilio Mistrulli, Banca d’Italia  
   Co-Author(s): Leonardo Gambacorta, Banca d’Italia

4. **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

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16:00 - 16:30 **REFRESHMENTS**
Thursday 16:30 – 18:30

16:30 - 18:00  
**ECONOMETRIC SOCIETY PRESIDENTIAL ADDRESS**
Room Aula Magna

Chairperson: Salvador Barberá, Universitat Autonoma 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
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<td>09:00 - 10:30</td>
<td>TECHNOLOGY SHOCKS AND ECONOMIC FLUCTUATIONS: WHERE DO MACROECONOMISTS STAND? (EEA) Chairperson: Jordi Galí, CREI and UPF</td>
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<td>DO PRODUCTIVITY SHOCKS LEAD TO A DECLINE IN LABOR?</td>
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<td>Harald Uhlig, Humboldt University</td>
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<td>ON THE ROLE OF TECHNOLOGY AS A SOURCE OF BUSINESS CYCLES: SOME RECENT FINDINGS Jordi Galí, CREI and UPF</td>
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<td>THE DYNAMIC EFFECTS OF TECHNOLOGY SHOCKS: ALTERNATIVE MEASURES</td>
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<td>Lawrence J. Christiano, Northwestern University</td>
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<td>Co-Author(s): Marty Eichenbaum and Rob Vigfusson, Board of Governors</td>
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<td>09:00 - 10:30</td>
<td>COMMUNITY ORGANIZATION AND ECONOMIC DEVELOPMENT (EEA) Chairperson: Kaivan Munshi, University of Pennsylvania and Chris Udry, Yale University</td>
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<td>HETEROGENEITY AND COMMUNITY DECISION MAKING</td>
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<td>Tim Besley, London School of Economics</td>
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<td>Co-Author(s): Steve Coate, Cornell University</td>
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<td>FROM K OOLS TO SCHOOLS: A NOTE ON UNDERSTANDING AND HARNESSING A COMMUNITY'S COLLECTIVE POTENTIAL Asim Ijaz Khwaja, Harvard University</td>
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<td>INDIVIDUAL DECISIONS AND OUTCOMES IN A NETWORK-BASED ECONOMY</td>
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<td>Kaivan Munshi, University of Pennsylvania</td>
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<td>Co-Author(s): Nancy Luke, Harvard University and Mark Rosenzweig, Harvard University</td>
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<td>09:00 - 10:30</td>
<td>MACROECONOMIC ASPECTS OF THE LABOUR MARKET (EEA) Chairperson: Robert Shimer, Princeton University</td>
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<td>THE EUROPEAN EMPLOYMENT AND UNEMPLOYMENT EXPERIENCES</td>
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<td>Richard Rogerson, Arizona State University</td>
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<td>EUROPEAN UNEMPLOYMENT AND TURBULENCE REVISITED IN A MATCHING MODEL</td>
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<td>Lars Ljungqvist, Stockholm School of Economics</td>
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<td>Co-Author(s): Thomas Sargent, New York University</td>
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<td>THE CYCLICAL BEHAVIOR OF LABOR MARKETS</td>
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<td>Robert Shimer, Princeton University</td>
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<td>09:00 - 10:30</td>
<td>MIGRATION (EEA)</td>
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<td>Chairperson: Christian Dustmann, University College, London</td>
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<td>MIGRATION</td>
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<td>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</td>
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<td>10:30 - 12:30</td>
<td>EEA POSTER SESSION 3</td>
<td>Poster Area P1</td>
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<td>CAN OPTIMAL INCOME TAX THEORY BE USED TO JUSTIFY BASIC INCOME?</td>
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<td>Laurence Jacquet, IRES, UCL, Belgium</td>
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<td>OPTIMAL TAXATION AND NORMALISATIONS</td>
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<td>Bjørn Sandvik, University of Bergen</td>
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<td>MORAL HAZARD AND THE INTERNATIONAL MONETARY FUND? A PRINCIPAL AGENT MODEL</td>
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<td>Yinglan Tan, Carnegie Mellon University</td>
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<td>10:30 - 12:30</td>
<td>WAGE DETERMINANTS AND DYNAMICS (EEA)</td>
<td>Organizer: Jean-Marc Robin, Université de Paris 1 – Panthéon, Sorbonne</td>
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<td>On the Wages of Temporary Help Service Workers in Germany</td>
<td>Michael Kvasnicka, Humboldt-University Berlin, Germany Co-Author(s): Axel Werwatz, German Institute for Economic Research (DIW)</td>
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<td>Downward Nominal Wage Rigidity in Italy: Evidence and Consequences</td>
<td>Francesco Devicienti, LABORatorio R. Revelli and ISER, University of Essex</td>
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<td>Cohort Effects on Earnings Profiles: Evidence from Sweden</td>
<td>Susanne Dahlberg, Uppsala University and Ruth-Aïda Nahum, Uppsala University</td>
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<td>A Modelisation of the Anchoring Effect in Closed-Ended Question with Follow-Up</td>
<td>Sandra Lechner, University of Konstanz Co-Author(s): Francois Laisney, Universitat Mannheim and Anne Rozan, University of Strasbourg</td>
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<td>Modelling Individual Earnings Trajectories with Copulas with an Application to the Study of Earnings Inequality in France in the 1990's</td>
<td>Stéphane Bonhomme, CREST-INSEE Co-Author(s): Jean-Marc Robin, Université de Paris 1 – Panthéon, Sorbonne</td>
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<td>The Effects of Government Deficit on Equilibrium Real Exchange Rates and Stock Prices</td>
<td>Marcelo Moura, Ibmec Business School</td>
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<td>Demand Shocks, Factor Movements and Equilibrium Relative Prices in the European Currency Area</td>
<td>Pietro Cova, Economics Department, Georgetown University</td>
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<td>The Consumption-Real Exchange Rate Anomaly</td>
<td>Christoph Thoenissen, Bank of England Co-Author(s): Gianluca Benigno, London School of Economics</td>
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### 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

**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)
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)
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

SEMINANONYNOMOUS 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)
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

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

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

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

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**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

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**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)
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<td>DOES PRESTIGE MATTER MORE THAN PROFITS?&lt;br&gt; EVIDENCE FROM ENTREPRENEURIAL CHOICES&lt;br&gt; Mariassunta Giannetti, Stockholm School of Economics and CEPR&lt;br&gt; Co-Author(s): Andrei Simonov, Stockholm School of Economics</td>
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<td>LAND CONTRACTS AS A TWO-SIDE OCCUPATIONAL CHOICE: NEW EVIDENCE OF RISK-SHARING IN INDIA&lt;br&gt; Tiziana Brancaccio, University College Dublin</td>
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<td>DEBT, AGGRESSIVENESS AND YOUNG FRENCH FIRMS’ SURVIVAL: AN EMPIRICAL INVESTIGATION&lt;br&gt; Jean Bonnet, Université de Caen, GEMMA&lt;br&gt; Co-Author(s): Amel Gharbi-Fessi, EUREQua and Nicolas Le Pape, Universite de Caen, GEMMA</td>
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<td>HOW DOES THE MONETARY MODEL OF EXCHANGE RATE DETERMINATION LOOK WHEN IT REALLY WORKS?&lt;br&gt; Daniel G. Garces-Diaz, Bank of Mexico</td>
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<td><strong>GEOGRAPHY, INSTITUTIONS, AND DIVERSITY AS FACTORS UNDERLYING HETEROGENEITY: A BAYESIAN TREED REGRESSION APPROACH TO CROSS-COUNTRY DIFFERENCES IN ECONOMIC PERFORMANCE</strong></td>
<td>Chih Ming Tan, University of Wisconsin-Madison</td>
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<td>Richard Paap, Erasmus University Rotterdam</td>
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<td><strong>THE DEPENDENCE OF TEST SIZE AND POWER ON NUISANCE PARAMETERS IN AUTOREGRESSIVE MODELS</strong></td>
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<td>Andrey Launov, Munich University and IZA</td>
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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)
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)
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
### MORTALITY (EC)
**Chairperson:** Valerie Lechene, University of Oxford  
**Room D9**

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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 |

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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, Universita 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 |

### SOCIAL INTERACTIONS (EEA)
**Chairperson:** Harris Selod, INRA and CREST  
**Room D7**

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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 Kanniainen, 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
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<td>Co-Authors: David Lopes-Salido, Banco de España</td>
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<td>Co-Authors: Denis Fougere, CREST-INSEE, Paris</td>
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<td>Co-Authors: Felix Büchel, Max Planck Institute for Human Development, Berlin</td>
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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

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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)  
Chairperson: Laura Romero-Valero, Universitat Autonoma 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 Autonoma de Barcelona
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<td><strong>THE BEHAVIORAL EFFECTS OF MINIMUM WAGES</strong></td>
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<td>Christian Zehnder, University of Zurich</td>
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<td>Co-Author(s): Armin Falk, University of Zurich and Ernst Fehr, University of Zurich</td>
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<td><strong>INPUT VERSUS OUTPUT TAXES IN AN EXPERIMENTAL INTERNATIONAL ECONOMY</strong></td>
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<td>Arno Riedl, CREED, University of Amsterdam</td>
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<td>Co-Author(s): Frans van Winde, CREED, University of Amsterdam</td>
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<td><strong>LEARNING BY RANDOM INFORMATION RETRIEVAL – EXPERIMENTAL EVIDENCE ON INTERNET-AUCTIONS</strong></td>
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<td>Doron Sonsino, Technion, Israel</td>
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<td>Co-Author(s): Radosveta Ivanova-Stenzel, Humboldt University, Berlin</td>
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<td>11:00 - 12:30</td>
<td><strong>CORPORATE FINANCE II (EEA)</strong></td>
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<td>Chairperson: Iver Bragelen, Norwegian School of Economics and Business Administration</td>
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<td><strong>MERGERS BY PARTIAL ACQUISITIONS</strong></td>
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<td>Tobias Lindqvist, Stockholm University</td>
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<td><strong>AGENCY CONFLICTS, OWNERSHIP CONCENTRATION, AND LEGAL SHAREHOLDER PROTECTION</strong></td>
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<td>Mike Burkart, Stockholm School of Economics</td>
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<td>Co-Author(s): Fausto Panunzi, Dipartimento di Scienze Economiche, Università di Bologna</td>
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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
**Political Economy II (ET)**
Chairperson: Carl Andreas Claussen, Norges Bank

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<td><strong>Endogenous Social Preferences, Work Norms and Redistribution</strong></td>
<td>Matteo Cervellati, UPF, Barcelona and University of Bologna</td>
<td>Co-Author(s): Joan Maria Esteban, Institut de Analisi Economico and Universitat Pompeu Fabra</td>
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<tr>
<td><strong>Law Enforcement, Fiscal Responsibility, and Economic Development</strong></td>
<td>Erik Berglof, SITE</td>
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<td><strong>Local Public Good Provision</strong></td>
<td>Klaas Staal, Tinbergen Institute Rotterdam</td>
<td>Co-Author(s): Robert Dur, Tinbergen Institute, Erasmus University</td>
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<td><strong>Majority Voting Leads to Unanimity</strong></td>
<td>Carl Andreas Claussen, Norges Bank</td>
<td>Co-Author(s): Geir B. Asheim, Department of Economics, University of Oslo and Tore Nilssen, University of Oslo</td>
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**Auctions III (ET)**
Chairperson: Veronika Grimm, Humboldt University at Berlin

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<td><strong>Private Information in Repeated Auctions</strong></td>
<td>Julian Jamison, MEDS, Northwestern University</td>
<td>Co-Author(s): Johannes Horner, MEDS, Northwestern University</td>
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<td><strong>Private Monitoring in Auctions</strong></td>
<td>Paul Heidhues, Wissenschaftszentrum Berlin fur Sozialforschung</td>
<td>Co-Author(s): Andreas Blume, University of Pittsburgh</td>
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<td><strong>Speculation in First-Price Auctions with Resale</strong></td>
<td>Thomas Troger, University of California, Santa Barbara</td>
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<td><strong>On Procurement Auctions of Complementary Goods</strong></td>
<td>Veronika Grimm, Humboldt University at Berlin</td>
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**Growth and Development II (ET)**
Chairperson: Paul de Hek, Erasmus University Rotterdam

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<td>Leo Kaas, University of Vienna</td>
<td>Co-Author(s): Costas Azariadis</td>
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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)
Chairperson: Andrew Filardo, Bank for International Settlements
Room F12

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)
Chairperson: Andrés Carvajal, Banco de la República, Colombia
Room F220

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 Osnabrück
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)**  
Chairperson: Werner Ploberger, University of Rochester  
Room F299

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)**  
Chairperson: Gary Koop, University of Glasgow  
Room F315

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

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

ESTIMATION AND COMPARISON OF TREASURY AUCTION FORMAT WHEN BIDDERS ARE ASYMMETRIC
Erwann Sbai, ECARES (ULB) - GREMAQ (Toulouse)
Co-Author(s): Olivier Armentier, 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**

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**14:00 - 16:00**  
**POLITICAL ECONOMY IV (EEA)**  
Room A5137  
Chairperson: Santiago Sanchez-Pages, Universitat Autonoma 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 Bennedsen, Copenhagen Business School

**WHEN DOES UNIVERSAL PEACE PREVAIL? SECESSION AND GROUP FORMATION IN RENT-SEEKING CONTESTS AND POLICY CONFLICTS**  
Santiago Sanchez-Pages, Universitat Autonoma de Barcelona  
Co-Author(s): Francis Bloch, GREQAM, Marseille and Raphael Soubeyran, GREQAM

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**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

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**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)
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
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<td>DETERMINANTS OF LARGE REAL INVESTMENTS</td>
<td>Mats Bergman, Uppsala University</td>
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<td>Co-Author(s): Per Johansson, IFAU and Dept. of Economics, Uppsala University</td>
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<td>FINANCING CONSTRAINTS, IRREVERSIBILITY AND INVESTMENT DYNAMICS</td>
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<td>IRREVERSIBLE DECISIONS AND THE ROLE OF RECORD SETTING PAYOFFS</td>
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<td>BUFFER STOCK SAVING AND HABIT FORMATION</td>
<td>Alex Michaelides, London School of Economics</td>
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<td>UK CONSUMER HABITS</td>
<td>Ryan Banerjee, Bank of England</td>
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<td>Co-Author(s): Nicoletta Batini, Bank of England</td>
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<td>INEQUALITY OVER THE BUSINESS CYCLE: ESTIMATING INCOME RISK USING MICRO-DATA ON CONSUMPTION</td>
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<td>Co-Author(s): Giorgio Primiceri, Princeton University</td>
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<td>GAME THEORY I (EEA)</td>
<td>Arne Schollaert, SHERPPA, Ghent University</td>
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<td>COALITION FORMATION IN A CONTEST GAME WITH THREE HETEROGENEOUS PLAYERS</td>
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<td>ESCALATION AND DELAY IN PROTRACTED INTERNATIONAL CONFLICTS</td>
<td>Aviad Heifetz, Tel Aviv University</td>
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<td>Co-Author(s): Ella Segev, Faculty of Management, Tel Aviv University</td>
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<td>ON THE OPTIMAL DESIGN OF UNFAIR CONTESTS</td>
<td>Markus Walzl, RWTH Aachen</td>
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<td>Co-Author(s): Eberhard Feess, RWTH Aachen and Gerd Muehlheusser, European University Institute</td>
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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

REGULATION II (EEA)
Chairperson: David Martimort, Institut d'Économie 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, Université de Toulouse

FUNDING UNIVERSAL SERVICE OBLIGATIONS WITH AN ESSENTIAL FACILITY: ACCESS CHARGES VS. TAXES
Michel Roland, Département of Economics, Université Laval
Co-Author(s): Charles Madet, GREEN, Département d’Économique, 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’Économie Industrielle (IDEI)
Co-Author(s): Yolande Hiriart, Université de Toulouse (LEERNA-IDEI)

INTERNATIONAL TRADE II (EEA)
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 |
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|                | **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 |
|                | **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 |
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<td>COSTS AND BENEFITS OF CAPITAL ADEQUACY</td>
<td>Martin Summer, Oesterreichische Nationalbank</td>
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<td>REGULATORY COMPETITION AND MULTI-NATIONAL</td>
<td>Dag Morten Dalen, Norwegian School of Management</td>
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<td>Co-Author(s): Trond E. Olsen, Norwegian School of Economics and Business Administration</td>
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<td>DEVELOPMENT</td>
<td>Co-Author(s): Svetlana Andrianova, University of Loughborough and Anja Shortland, University of Leicester</td>
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<td><strong>GAME THEORY III (EEA)</strong></td>
<td>Olivier Tercieux, EUREQua, Université de Paris 1 - Panthéon Sorbonne</td>
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<td>AN ALTERNATIVE APPROACH TO EXPLAINING</td>
<td>Joachim Weimann, University of Magdeburg</td>
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<td>BARGAINING BEHAVIOR IN SIMPLE SEQUENTIAL</td>
<td>Co-Author(s): Atanasios Mitropoulos, West LB and Chun-Lei Yang, Academia Sinica</td>
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<td>EQUILIBRIA IN A DYNAMIC GLOBAL GAME: THE ROLE</td>
<td>Mathias Herzing, Institute for International Economic Studies, Stockholm University</td>
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<td>ON THE ROBUSTNESS OF EQUILIBRIA TO INCOMPLETE INFORMATION</td>
<td>Nicolas Melissas, University of Leicester</td>
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<td>Co-Author(s): Paul Heidhues, Wissenschaftszentrum Berlin fur Sozialforschung</td>
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| 14:00 - 16:00 | **FINANCIAL CRISES (EEA)**  
Chairperson: Volker Karb, University of Bayreuth, Germany | 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)**  
Chairperson: Torsten Persson, Stockholm University | Aula Magna |
|            | 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)  
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)  
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)  
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

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<td>FEMALE LABOUR FORCE PARTICIPATION IN EUROPE (EEA)</td>
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<td>Chairperson: Pietro Garibaldi, Università Commerciale Luigi Bocconi and Chris Pissarides, London School of Economics</td>
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<td>09:00 - 10:30</td>
<td>WHAT JOBS DO WOMEN HOLD IN THE EU</td>
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<td>Barbara Petrongolo, London School of Economics</td>
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<td>09:00 - 10:30</td>
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<td>Alison Booth, Australian National University</td>
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<td>Co-Author(s): Wiji Arulampalam, University of Warwick and Mark Bryan, University of Essex</td>
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<td>FEMALE PARTICIPATION AND IRREVERSIBLE ENTRY COSTS</td>
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<td>Pietro Garibaldi, Università Commerciale Luigi Bocconi</td>
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<td>RECENT DEVELOPMENTS IN EMPIRICAL IO (EEA)</td>
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<td>Chairperson: Aviv Nevo, University of California</td>
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<td>09:00 - 10:30</td>
<td>COMBINATION BIDDING IN MULTI-UNIT AUCTIONS</td>
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<td>Estelle Cantillon, Harvard Business School and CEPR</td>
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<td>Co-Author(s): Martin Pesendorfer, London School of Economics</td>
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<td>ESTIMATING PRICE-COST MARKUPS UNDER NONLINEAR PRICING COMPETITION</td>
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<td>Eugenio Miravete, University of Pennsylvania</td>
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<td>Co-Author(s): Lars-Hendrick Roller, WZB</td>
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<td>09:00 - 10:30</td>
<td><strong>MEASURING THE IMPLICATIONS OF SALES AND CONSUMER STOCKPILING BEHAVIOR</strong>&lt;br&gt;Aviv Nevo, University of California Berkeley&lt;br&gt;Co-Author(s): Igal Hendel, University of Wisconsin</td>
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<td><strong>WAGE STRUCTURES (EEA)</strong>&lt;br&gt;Organizer: Bernd Fitzenberger, University of Mannheim</td>
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<td><strong>INTEGRATING WAGE BARGAINING INTO AN EFFICIENCY WAGE MODEL</strong>&lt;br&gt;Bernd Fitzenberger, University of Mannheim&lt;br&gt;Co-Author(s): Martin Beck, ZEW and Deutsche Bundesbank and Thiess Buettner, ZEW and University of Mannheim</td>
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<td><strong>THE RATIONALE FOR WAGE RIGIDITY: SURVEY EVIDENCE FROM GERMAN FIRMS</strong>&lt;br&gt;Friedhelm Pfeiffer, Centre for European Economic Research (ZEW), Mannheim&lt;br&gt;Co-Author(s): Wolfgang Franz, Centre for European Economic Research (ZEW), Mannheim</td>
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<td><strong>MICROFOUNDATIONS OF THE WAGE INFLATION IN THE CZECH REPUBLIC</strong>&lt;br&gt;Kamil Galuscak, Czech National Bank&lt;br&gt;Co-Author(s): Daniel Munich, CERGE-EI</td>
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<td><strong>ON WAGE FORMATION, WAGE DEVELOPMENT AND UNEMPLOYMENT FLEXIBILITY: A COMPARISON BETWEEN EUROPEAN COUNTRIES AND THE UNITED STATES</strong>&lt;br&gt;Ard den Reijer, De Nederlandsche Bank&lt;br&gt;Co-Author(s): Marga Peeters, De Nederlandsche Bank</td>
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<td><strong>A SEMI-PARAMETRIC ANALYSIS OF DOWNWARD NOMINAL WAGE RIGIDITY IN THE GSOEP 1984-2000</strong>&lt;br&gt;Christoph Knoppik, University of Regensburg&lt;br&gt;Co-Author(s): Jens Dittmar, University of Regensburg</td>
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<td>Pia Weiss, Chemnitz University of Technology</td>
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<td>Christian Schumacher, Deutsche Bundesbank</td>
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<td>Lukas Menkhoff, University of Hannover</td>
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<td>Edwin Leuven, University of Amsterdam</td>
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<td>Co-Author(s): Bas Van der Klaauw, Free University</td>
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10:30 - 12:30  Status Seeking in the Open Economy
Walter H. Fisher, Institute for Advanced Studies
Co-Author(s): Franz Hof, Vienna University of Technology

10:30 - 12:30  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)
Organizer: Patrick Francois, Tilburg University

10:30 - 11:00  Refreshments
11:00 - 12:30  **CONTRIBUTED SESSION**
**ESEM: Theoretical and Applied Economics**

11:00 - 12:30  **LABOUR MARKETS III (ET)**  
Room E306  
Chairperson: Birthe Larsen, Department of Economics, Copenhagen Business School

**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)**  
Room E319  
Chairperson: Volker Nocke, University of Pennsylvania

**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)**  
Room E413  
Chairperson: Uday Rajan, Carnegie Mellon University

**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)
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<td><strong>POLITICAL ECONOMY III (ET)</strong></td>
<td>Nicolás Porteiro</td>
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<td><strong>REFORM UNDER UNANIMITY</strong></td>
<td>Guido Friebel</td>
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<td><strong>SOCIAL POLARIZATION, FISCAL INSTABILITIES, AND GROWTH</strong></td>
<td>Jaejoon Woo</td>
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<td><strong>THE POLITICAL ECONOMY OF INTEREST GROUPS:</strong></td>
<td>Nicolás Porteiro</td>
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<td><strong>AUCTIONS IV (ET)</strong></td>
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<td><strong>THE EFFICIENT OPTIMAL RESERVATION PRICE IN MULTIPLE-UNIT AUCTIONS</strong></td>
<td>Michal Bresky</td>
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<td><strong>TREASURY AUCTIONS: THE SPANISH FORMAT</strong></td>
<td>Francisco Alvarez</td>
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<td><strong>DYNAMIC MONOPOLIES WITH STOCHASTIC DEMAND</strong></td>
<td>Walter Beckert</td>
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<td><strong>EVOLUTION AND LEARNING IV (ET)</strong></td>
<td>Jan Tuinstra</td>
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<td><strong>ON LEARNING EQUILIBRIA</strong></td>
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<td><strong>STOCHASTIC EVOLUTIONARY STABILITY IN GENERIC EXTENSIVE FORM GAMES OF PERFECT INFORMATION</strong></td>
<td>Christoph Kuzmics</td>
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<td><strong>FICTITIOUS PLAY IN 2XN GAMES</strong></td>
<td>Ulrich Berger</td>
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<td>11:00 - 12:30</td>
<td>GROWTH AND DEVELOPMENT III (ET)</td>
<td>Bernhard Eckwert, University of Bielefeld</td>
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<td><strong>THE DEVELOPMENT PROBLEM UNDER EMBODIMENT</strong></td>
<td>Blancha Martinez, Universidad de Alicante</td>
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<td>Co-Author(s): Raouf Boucekkine, IRES and CORE, Catholic University of Louvain and Cagri Saglam, IRES, Université Catholique de Louvain</td>
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<td><strong>THE EFFECT OF BETTER INFORMATION ON GROWTH AND WELFARE</strong></td>
<td>Bernhard Eckwert, University of Bielefeld</td>
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<td>Co-Author(s): Itzhak Zilcha, Tel Aviv University</td>
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<td><strong>FOREIGN DIRECT INVESTMENT, INEQUALITY, AND GROWTH</strong></td>
<td>Alessandra Guariglia, University of Kent</td>
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<td>Co-Author(s): Parantap Basu, Fordham University</td>
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<td>11:00 - 12:30</td>
<td>ENVIRONMENTAL ECONOMICS (ET)</td>
<td>Amos Zemel, Institute for Desert Research, Ben Gurion University</td>
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<td><strong>GROWTH IN OVERLAPPING GENERATIONS ECONOMIES WITH NON-RENEWABLE RESOURCES</strong></td>
<td>María-José Gutiérrez, Universidad del País Vasco</td>
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<td>Co-Author(s): Betty Agnani, Banco Central de Venezuela and Universidad del País Vasco and Amaia Iza, Universidad del País Vasco</td>
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<td><strong>IN SEARCH OF A RATIONALE FOR DIFFERENTIATED ENVIRONMENTAL TAXES</strong></td>
<td>Christoph Boehringer, Centre for European Research (ZEW)</td>
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<td>Co-Author(s): Tom Rutherford, University of Colorado, Boulder</td>
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<td><strong>SCARCITY, GROWTH AND R&amp;D</strong></td>
<td>Amos Zemel, Institute for Desert Research, Ben Gurion University</td>
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<td>Co-Author(s): Yacov Tsur, Hebrew University of Jerusalem</td>
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11:00 - 12:30  **CONTRIBUTED SESSION**  ESEM: Econometrics and Empirical Economics

11:00 - 12:30  **COST FUNCTIONS AND PRODUCTION ANALYSIS (EC)**  Room F299
Chairperson: Bertrand Koebel, Otto-von-Guericke-Universität

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)**  Room F315
Chairperson: Robin Andrew Naylor, University of Warwick

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)**  Room F389
Chairperson: Gabriele Fiorentini, University of Florence

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)
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)
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
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<td><strong>INFEERENCE II (EC)</strong></td>
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|            | 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 | **INFEERENCE I (EC)**                | **Room F487**                                                                            |
|            | DISINFLATION SIMULATION WITH DISAGGREGATED OUTPUT GAP MODEL FOR HUNGARY | Viktor Várpalotai, National Bank of Hungary |
|            | INFLATION DISPERSION AND CONVERGENCE IN MONETARY AND ECONOMIC UNIONS: LESSONS FOR THE ECB | Guenter 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)**             | **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)
Chairperson: Haldun Evrenk, Boston University
Room A5137

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)
Chairperson: Silvia Ardagna, Wellesley College
Room C497

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
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<td>REGULATION AND INVESTMENT</td>
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<td>Silvia Ardagna, Wellesley College</td>
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<td>Co-Author(s): Alberto Alesina, Harvard University, NBER, CEPR, Giuseppe Nicoletti, OECD and Fabio Schiantarelli, Boston College</td>
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<td>BUSINESS CYCLES: THEORY AND EVIDENCE (EEA)</td>
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<td>Chairperson: Gabriel Lee, Institute for Advanced Studies</td>
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<td>WHY DON’T PRICES FALL IN A RECESSION? FINANCIAL CONSTRAINTS, INVESTMENT, AND CUSTOMER RELATIONS</td>
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<td>Nils Gottfries, Uppsala University</td>
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<td>Co-Author(s): Magnus Lundin, Uppsala University</td>
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<td>11:00 - 12:30</td>
<td>PRICE-SETTING BEHAVIOUR AND INFLATION DYNAMICS</td>
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<td>Pablo Burriel-Llombart, Bank of England</td>
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<td>Co-Author(s): Hasan Bakshi, Bank of England, Hashmat Khan, Bank of England and Barbara Rudolf, Swiss National Bank</td>
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<td>ESTIMATING PRICE RIGIDITIES IN THE RUSSIAN REAL ESTATE MARKETS</td>
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<td>Oleg Zamulin, New Economic School</td>
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<td>Co-Author(s): Konstantin Styrin, CEFIR</td>
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<td>AGENCY COSTS AND BUSINESS CYCLES: A COMPARATIVE ANALYSIS OF THE U.S. AND EURO AREA</td>
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<td>Gabriel Lee, Institute for Advanced Studies</td>
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<td>Co-Author(s): Victor Dorofeenko, Institute for Advanced Studies, Vienna and Kevin Salyer, University of California, Davis</td>
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<td>Chairperson: Rolf Tisljar, Bonn Graduate School of Economics</td>
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<td>CONTRACTING UNDER MORAL HAZARD WITH ALTRUISTIC AGENTS</td>
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<td>Cecile Aubert, University of Cambridge</td>
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<td>DELEGATION AS AN OPTIMAL INCOMPLETE CONTRACT</td>
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<td>Andreas Roeder, University of Bonn</td>
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<td>PREDATORY ACCOMMODATION IN VERTICAL CONTRACTING WITH EXTERNALITIES</td>
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<td>Zohra Bouamra-Mecheneche, University of Toulouse (INRA)</td>
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<td>Co-Author(s): Philippe Bontems, University of Toulouse (INRA and IDEI)</td>
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<td>SELLING A DIVISIBLE GOOD IN A MODEL OF BILATERAL TRADE WITH ADVERSE SELECTION</td>
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<td><strong>NETWORK FORMATION AND ANTI-COORDINATION GAMES</strong>&lt;br&gt;Dunia López-Pintado, University of Alicante&lt;br&gt;Co-Author(s): Yann Bramoulle, University of Tolouse, Sanjeev Goyal, Queen Mary, University of London and Fernando Vega-Redondo, University of Alicante</td>
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<td><strong>Samaritan vs Rotten Kid: Another Look</strong>&lt;br&gt;Bouwe Dijkstra, University of Nottingham</td>
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<td><strong>The Attribute Core, Core Convergence, and Small Group Effectiveness; The Effects of Property Rights Assignments on the Attribute Core</strong>&lt;br&gt;Myrna Wooders, University of Warwick</td>
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<td><strong>A State-Space Structure with Unawareness</strong>&lt;br&gt;Burkhard C. Schipper, Bonn Graduate School of Economics, Dept. of Economics, University of Bonn</td>
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<td><strong>HEALTH ECONOMICS I (EEA)</strong>&lt;br&gt;Chairperson: Mariacristina Rossi, University of Tor Vergata</td>
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<td><strong>Modeling the Macroeconomic Impact of HIV/AIDS</strong>&lt;br&gt;Marcus Haacker, International Monetary Fund and LSE</td>
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<td><strong>Should Physicians’ Dual Practice Be Limited? An Incentive Approach</strong>&lt;br&gt;Paula Gonzalez, CORE and Universidad de Alicante</td>
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<td><strong>Private Medical Insurance and Saving: Evidence From the British Household Panel Survey</strong>&lt;br&gt;Mariacristina Rossi, University of Tor Vergata&lt;br&gt;Co-Author(s): Alessandra Guariglia, University of Kent</td>
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<td>11:00 - 12:30</td>
<td><strong>LABOUR MARKETS EMPIRICAL EVIDENCE III (EEA)</strong>&lt;br&gt;Chairperson: Thomas Fuchs, Ifo Institute for Economic Research</td>
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<td><strong>Worker Displacement and Privatisations: Evidence from a Matched Employer-Employee Data Set</strong>&lt;br&gt;Francisco Lima, Universidade Lusofona de Humanidades e Tecnologias&lt;br&gt;Co-Author(s): Mário Centeno, Banco de Portugal</td>
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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
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| 11:00 - 12:30 | 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)  
Chairperson: Radislav Semenov, University of Nijmegen | Room E397 |
|          | 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)  
Chairperson: Rebecca Driver, Bank of England | Room F3154 |
|          | 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 Osnabrucek |          |
|          | 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 |          |
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<td><strong>BANK COMPETITION (EEA)</strong></td>
<td>Chairperson: Sonja Daltung, Research Department, Sveriges Riksbank</td>
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<td><strong>BANK COMPETITION, AGENCY COSTS, AND THE PERFORMANCE OF THE MONETARY POLICY</strong></td>
<td>Leonardo Alencar, Central Bank of Brazil Co-Author(s): Marcio Nakane, Central Bank of Brazil and University of Sao Paulo</td>
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<td><strong>DYNAMIC BANKING COMPETITION WITH COSTLY SCREENING</strong></td>
<td>Francesco Zollino, Research Department, Bank of Italy</td>
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<td><strong>SOFTENING COMPETITION BY ENHANCING ENTRY: AN EXAMPLE FROM THE BANKING INDUSTRY</strong></td>
<td>Jan Bouckaert, University of Antwerp Co-Author(s): Hans Degryse, Catholic University of Leuven</td>
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<td><strong>MULTIPLE-BANK LENDING: DIVERSIFICATION AND FREE-RIDING IN MONITORING</strong></td>
<td>Sonja Daltung, Research Department, Sveriges Riksbank Co-Author(s): Elena Carletti, University of Mannheim and Vittoria Cerasi, Università degli Studi di Milano-Bicocca</td>
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<td><strong>ATTENTION ECONOMIES</strong></td>
<td>Josef Falkinger, University of Zurich</td>
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<td><strong>BERTRAND COMPETITION WITH INTERTEMPORAL DEMAND</strong></td>
<td>Jorgen Weibull, Boston University Co-Author(s): Prajit Dutta, Columbia University and Alexander Matros, University College London</td>
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<td><strong>RISK TAKING BY ENTREPRENEURS</strong></td>
<td>Galina Vereshchagina, CERGE-EI Co-Author(s): Hugo Hopenhayn, University of Rochester and Universidad T. Di Tella</td>
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<td><strong>THE EFFECTS OF PRODUCT BUNDLING IN DUOPOLY</strong></td>
<td>Markus Reisinger, University of Munich</td>
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<td><strong>EQUILIBRIUM ANALYSIS (ET)</strong></td>
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**IRREDUCIBLE ECONOMIES AND STRONGLY CONNECTED GRAPHS**<br>Ruth Baldry, University of Essex<br>Co-Author(s): Sayantan Ghosal, University of Warwick

**STABLE COMPARATIVE STATICS**<br>Kai-Sun Kwong, Chinese University of Hong Kong

**EQUILIBRIUM ANALYSIS IN FINANCIAL MARKETS WITH COUNTABLY MANY SECURITIES**<br>V. Filipe Martins-da-Rocha, CERMSEM, Université Paris 1<br>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

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**FAIRNESS AND THE POWER OF COMPETITION**<br>Urs Fischbacher, University of Zurich<br>Co-Author(s): Ernst Fehr, University of Zurich and Christina Fong, Carnegie Mellon University

**IT'S ALL ABOUT CONNECTIONS: EVIDENCE ON NETWORK FORMATION**<br>Michael Kosfeld, University of Zurich<br>Co-Author(s): Armin Falk, University of Zurich

**THE ROBUSTNESS OF LABORATORY GIFT EXCHANGE - A RECONSIDERATION**<br>Dirk Engelmann, CERGE-EI<br>Co-Author(s): Andreas Ortmann, CERGE-EI

**THE WINNER'S CURSE: THEORY AND EXPERIMENTS**<br>Uday Rajan, Carnegie Mellon University<br>Co-Author(s): Christine Parlour, Carnegie Mellon University and Vesna Prasnikar, Carnegie Mellon University

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<td><strong>ALTRUISM AS A CAUSE OF INSURANCE MARKET FAILURE</strong>&lt;br&gt;Björn Persson, Stockholm School of Economics&lt;br&gt;Co-Author(s): Jörgen Weibull, Boston University</td>
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**INSURANCE IN A MARKET FOR CREDENCE GOODS**<br>Kai Suelzle, Ifo Institute for Economic Research, Munich<br>Co-Author(s): Achim Wambach, University of Erlangen-Nuremberg

**IS IT BETTER A MORE FLEXIBLE RETIREMENT SCHEME?**
Saturday 14:00 – 16:00

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)
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)
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, Eurequa-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
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<td>THE IMPACT OF WAGE SUBSIDIES: A GENERAL EQUILIBRIUM APPROACH</td>
<td>Monica Costa Dias, Bank of Portugal Co-Author(s): Richard Blundell, University College London and Costas Meghir, UCL</td>
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<td>FREQUENCY DOMAIN PRINCIPAL COMPONENTS ESTIMATION OF FRACTIONALLY COINTEGRATED PROCESSES</td>
<td>Claudio Morana, University of Piemonte Orientale</td>
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<td>TESTING FOR THE EQUALITY OF ORDERS OF INTEGRATION</td>
<td>Javier Hualde, Universidad de Navarra</td>
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<td>RELATIVE EFFICIENCY OF INDIRECT INERENCE FOR ARFIMA MODELS</td>
<td>Francesca Di Iorio, Dipartimento di Scienze Statistiche, Università di Napoli Federico II Co-Author(s): Giorgio Calzolari, Dipartimento di Statistica &quot;G. Parenti&quot;, Università di Firenze</td>
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<td>CONVERGENCE TO STOCHASTIC INTEGRALS WITH FRACTIONALLY INTEGRATED INTEGRATOR PROCESSES: THEORY, AND APPLICATIONS TO COINTEGRATING REGRESSION</td>
<td>James Davidson, University of Wales, Cardiff</td>
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<td>Chairperson: Maurice Bun, University of Amsterdam</td>
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<td>ROBUST ESTIMATORS OF THE FIXED EFFECTS PANEL DATA MODEL</td>
<td>Maria Caterina Bramati, Université Libre de Bruxelles Co-Author(s): Christophe Croux, K.U.Leuven</td>
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<td>PANEL UNIT ROOT TESTS WITH GLS-DETRENDING: WITH AN APPLICATION TO PURCHASING POWER PARITY</td>
<td>Claude Lopez, University of Cincinnati</td>
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<td>ROOT-N CONSISTENT SEMIPARAMETRIC ESTIMATORS OF A DYNAMIC PANEL DATA SAMPLE SELECTION MODEL</td>
<td>Christelle Viauourx, State University of New York Stony Brook Co-Author(s): George-Levi Gayle, University of Pittsburgh</td>
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<td>BIAS-CORRECTED ESTIMATION IN DYNAMIC PANEL DATA MODELS</td>
<td>Maurice Bun, University of Amsterdam Co-Author(s): Martin Carree, University of Maastricht</td>
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<td>TREATMENT EFFECTS AND PROGRAM EVALUATION II (EC)</td>
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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)
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
### CONTRIBUTED SESSIONS
#### EEA

**14:00 - 16:00**

**INDUSTRIAL ORGANISATION VI (EEA)**  
Chairperson: Joel Sandonís, University of the Basque Country, Department of Economics  
Room A5137

- **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)**  
Chairperson: Gabrielle Wanzenried, Department of Economics, University of Bern  
Room C497

- **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
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**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

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**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

**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
### INEQUALITY I (EEA)
Chairperson: Manuel Oechslin, University of Zurich

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<td>Miquel Pellicer, EUI</td>
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<td>INEQUALITY AND WELFARE COMPARISONS AMONG INDIVIDUALS UNDER SAMUELSON’S MODEL OF HOUSEHOLDS</td>
<td>Eugenio Peluso, THEMA, Université de Cergy-Pontoise</td>
<td>Co-Authors: Alain Trannoy, GREQAM EHESS</td>
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<td>INEQUALITY, INDUSTRIALIZATION AND FINANCIAL STRUCTURE</td>
<td>Tridip Ray, Hong Kong University of Science and Technology</td>
<td>Co-Authors: Shankha Chakraborty, University of Oregon</td>
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<td>WHO GAINS FROM NON-COLLUSIVE CORRUPTION</td>
<td>Manuel Oechslin, University of Zurich</td>
<td>Co-Authors: Reto Foellmi, University of Zurich, Institute for Empirical Research in Economics</td>
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### INNOVATION AND PRODUCTIVITY (EEA)
Chairperson: Sanghoon Ahn, Hong Kong University of Science and Technology

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<td>Carl-Johan Dalgaard, University of Copenhagen</td>
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<td>IS RISING RETURNS TO SCALE A FIGMENT OF POOR ACCOUNTING DATA?</td>
<td>Sten Hansen, Ministry of Finance</td>
<td>Co-Authors: Tomas Lindström, National Institute of Economic Research</td>
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<td>ENDOGENOUS INNOVATION WAVES AND ECONOMIC GROWTH</td>
<td>Rainer Andergassen, Department of Economics, University of Bologna</td>
<td>Co-Authors: Franco Nardini, Department of Mathematics for Social Sciences</td>
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<td>TECHNOLOGY UPGRADING, IT CAPITAL, AND MARKET VALUE</td>
<td>Sanghoon Ahn, Hong Kong University of Science and Technology</td>
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### LABOUR MARKET - MATCHING (EEA)
Chairperson: Pieter Gautier, Tinbergen Institute

Room D397

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<td>Mário Centeno, Banco de Portugal</td>
<td>Co-Authors: António Antunes, Banco de Portugal</td>
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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)
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)
Chairperson: Michael Burda, Humboldt-Universität zu Berlin

DO WHEN AND WHERE MATTER? INITIAL LABOR MARKET CONDITIONS AND IMMIGRANT EARNINGS
Olof Aslund, Institute for Labour Market Policy Evaluation
Co-Author(s): Dan-Olof Rooth, Kalmar University
### 14:00 - 16:00

**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

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Co-Authors: 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-Authors: Erik Theissen, University of Bonn |          |

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Co-Authors: Marc-Antoine Prunier, Latapses-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-Authors: Jan Hansen, Sveriges Riksbank |          |
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<td>Co-Author(s): Gauti Eggertsson, IMF</td>
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<td>Co-Author(s): Hans Gersbach, University of Heidelberg</td>
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<td>OPEN SOURCE, COMPLEMENTARITIES AND SOFTWARE</td>
<td>Ewa Mendys-Kamphorst, Tinbergen Institute, Rotterdam</td>
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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
Mª 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
INFEERENCE ON EXPECTATIONS AND DECISIONS
Charles Manski, Northwestern University

19:00
SOCIAL EVENT: VASA MUSEUM TOURS & DINNER
### SUNDAY 24TH AUGUST 2003

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<td>Jan Wenzelburger, University of Bielefeld</td>
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<td>Co-Author(s): Hans Gersbach, University of Heidelberg</td>
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<td><strong>LOAN PRICING UNDER BASEL CAPITAL REQUIREMENTS</strong></td>
<td>Rafael Repullo, CEMFI</td>
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<td>Co-Author(s): Javier Suarez, CEMFI</td>
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<td>Jean Charles Rochet, Toulouse University</td>
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<td>Co-Author(s): Roger Benoit, GREMAQ and Jean-Paul Decamps, GREMAQ, Université de Toulouse 1</td>
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<td>Xavier Gabaix, Massachusetts Institute of Technology</td>
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<td>Co-Author(s): Peng Cheng, HEC Lausanne and FAME</td>
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<td>Co-Author(s): Klaus Abbink, University of Nottingham</td>
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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 Universita de Ferrara and Fernando Vega-Redondo, University of Alicante

HETEROGENEOUS SOCIAL PREFERENCES
Mathias Erlei, Clausthal University of Technology

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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

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<td>Co-Author(s): Alain Chateauneuf, CERMSEM, Université Paris 1 Panthéon-Sorbonne</td>
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<td>Co-Author(s): Fabrice Valognes, University of Le Havre</td>
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<td>Co-Author(s): Afonso Arinos de Mello Franco, EPGE/FGV and</td>
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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

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|            | Ugo Panizza, Research Department, Inter-American |            |
|            | Development Bank                                 |            |
|            | Co-Author(s): Mandana Hajj, AUB                  |            |
|            | <strong>TEACHER TURNOVER AND NON-PECUNIARY FACTORS</strong>   |            |
|            | Torberg Falch, Norwegian University of Science    |            |
|            | and Technology                                    |            |
|            | Co-Author(s): Bj Barnes Strom, Norwegian University of Science and Technology |          |
|            | <strong>CAREER PROGRESSION AND FORMAL VERSUS ON THE</strong>  |            |
|            | <strong>JOB TRAINING</strong>                                  |            |
|            | 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       |            |</p>
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<td>09:00 - 10:30</td>
<td><strong>ESTIMATION III (EC)</strong></td>
<td>Fabio Trojani, University of Southern Switzerland</td>
<td>Room F389</td>
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<td>IMPROVING SMALL SAMPLE PROPERTIES OF THE EMPIRICAL LIKELIHOOD ESTIMATION</td>
<td>Naoto Kunitomo, Faculty of Economics, University of Tokyo</td>
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<td>GENERALIZED EMPIRICAL LIKELIHOOD TESTS UNDER PARTIAL, WEAK, AND STRONG IDENTIFICATION</td>
<td>Patrik Guggenberger, Yale University</td>
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<td>SADDLEPOINT APPROXIMATIONS AND TEST STATISTICS FOR ACCURATE INference IN OVERIDENTIFIED MOMENT CONDITIONS MODELS</td>
<td>Fabio Trojani, University of Southern Switzerland Co-Author(s): Elvezio Ronchetti, Dept. of Econometrics, University of Geneva</td>
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<td>09:00 - 10:30</td>
<td><strong>FINANCIAL ECONOMETRICS: EMPIRICAL III (EC)</strong></td>
<td>Renee Fry, Australian National University</td>
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<td>TRANSMISSION OF INFORMATION ACROSS INTERNATIONAL EQUITY MARKETS</td>
<td>Jon Wongswan, Federal Reserve Board</td>
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<td>STOCHASTIC UNIT ROOTS OR DETERMINISTIC BREAKS? AN EMPIRICAL INVESTIGATION OF WORLD-WIDE STOCK MARKET INDICES</td>
<td>Svetlana Makarova Co-Author(s): Wojciech Charemza, University of Leicester</td>
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<td>UNANTICIPATED SHOCKS AND SYSTEMIC INFLUENCES: THE IMPACT OF CONTAGION IN GLOBAL EQUITY MARKETS IN 1998</td>
<td>Renee Fry, Australian National University Co-Author(s): Mardi Dungey, Australian National University and Vance Martin, University of Melbourne</td>
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<td>09:00 - 10:30</td>
<td><strong>FIRM PERFORMANCE (EC)</strong></td>
<td>Véronique Janod, EUREQua, Université Paris 1</td>
<td>Room F413</td>
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<td>DEBT OR EQUITY? THE ROLE OF VENTURE CAPITAL IN FINANCING THE NEW ECONOMY IN GERMANY</td>
<td>Erik E. Lehmann, University of Konstanz Co-Author(s): David B. Audretsch, Indiana University</td>
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<td>RESEARCH AND DEVELOPMENT, INNOVATION, TRAINING, QUALITY AND PROFITABILITY: ECONOMETRIC EVIDENCE FROM FRANCE</td>
<td>Diègo Legros, ERMES Co-Author(s): Fabrice Galia, ERMES - CNRS - UMR 7017</td>
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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)
Chairperson: Neil Ericsson, Federal Reserve Board

FREQUENCY DOMAIN ANALYSIS OF CORE INFLATION MEASURES FOR BRAZIL
Eurilton Araujo, IBMEC
Co-Author(s): Antonio Fiorencio, 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)
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)
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, Universita’ 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, Universita’ 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

COMPETITION POLICY (EEA)
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

FINANCIAL MARKETS: EMPIRICAL EVIDENCE II (EEA)
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

INTERNATIONAL TRADE: EMPIRICAL EVIDENCE III (EEA)
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
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)
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)
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)
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)
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
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<td>KLEPTOCRACY AND DIVIDE-AND-RULE</td>
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<td>Daron Acemoglu, Massachusetts Institute of Technology</td>
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<td>Co-Author(s): James Robinson, University of California, Berkeley and Thierry Verdier, DELTA, CEPR</td>
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