

CRETE 2003

Second

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

Mediterranean Agronomic Institute of Chania

July 7-10, 2003

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

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

SUNDAY, July 6

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

MONDAY, July 7

9:00 - 11:15 Macroeconomics Chair: Costas Azariadis

[George-Marios Angeletos \(MIT\) "Idiosyncratic Production Risk, Growth and the Business Cycle" \[with Laurent Calvet \(Harvard and NYU\)\]](#)

Discussant: Harris Dellas (University of Bern)

[Harris Dellas \(University of Bern\) "Inflation Targeting" \[with Fabrice Collard \(CNRS-GREMAQ\)\]](#)

Discussant: Apostolis Philippopoulos (Athens Univ. of Economics and Business)

[Marika Karanassou \(Queen Mary, University of London\) "A Reappraisal of the Inflation-Unemployment Tradeoff" \[with Hector Sala \(Universitat Autònoma de Barcelona\), Dennis Snower \(Birbeck College, University of London\)\]](#)

Discussant: Peghe Braila (University of Milan-Bicocca)

11:15 - 11:45 *Coffee*

11:45 - 1:15 Prices and Markets I Chair: Emmanuel Drandakis

[Herakles Polemarchakis \(Brown University\) "Money and prices under uncertainty" \[with Tomo Nakajima \(Brown University\)\]](#)

Discussant: Dimitris Tsomocos (University of Oxford)

[Emmanuel Petrakis \(University of Crete\) "Endogenous Contracts under Bargaining in Competing Vertical Chains" \[with Chrysovalantou Milliou \(EIU-Florence\) and Nikos Vettas \(Athens University of Economics and Business\)\]](#)

Discussant: Lampros Pehlivanos (Athens University of Economics and Business)

1:15 - 2:30 *Lunch*

2:30- 4:45 Finance Chair: Elias Tzavalis

[Yannis Biliass \(University of Cyprus\) "The Distribution of Gains from the Access to Stocks" \[with Michael Haliassos \(University of Cyprus\)\]](#)

Discussant: Menelaos Karanasos (University of York)

[Christos Giannikos \(Baruch College\) "On the Consequences of State Dependent Preferences for the Pricing of Financial Assets" \[with Jean-Pierre Danthine \(University](#)

[de Lausanne, FAME and CEPR\), John Donaldson \(Columbia University\), and Hany Guirguis \(Manhattan College\)\]](#)

Discussant: George-Marios Angeletos (MIT)

[Menelaos Karanasos \(University of York\) “ The Volume-Volatility Relationship and the Opening of the Korean Stock Market to Foreign Investors after the Financial Turmoil in 1997” \[with J. Kim \(University of York\)\]](#)

Discussant:

TUESDAY, July 8

9:00 – 11:15 Prices and Markets II Chair: Yiannis Katsoulakos

[Charalambos Aliprantis \(Purdue University\) “Non-market Options, Non-existence of Equilibria, and Non-linear Prices” \[with Paulo Monteiro \(EPGE/FGV\) and Rabee Tourky \(University of Melbourne\)\]](#)

Discussant: Emmanuel Petrakis (University of Crete)

[George Bitros \(Athens University of Economics and Business\) “A Rehabilitation of Economic Replacement Theory” \[with Elias Flytzanis \(Athens University of Economics and Business\)\]](#)

Discussant: Yiannis Katsoulakos (Athens University of Economics and Business)

[Lampros Pehlivanos \(Athens University of Economics and Business\) “Auctioning with a Split Mind: Privatization under Political Constraints” \[with Maria Angeles de Frutos \(Universidad Carlos III de Madrid\)\]](#)

Discussant: Nikos Vettas (Athens University of Economics and Business)

11:15 – 11:45 *Coffee*

11:45 – 1:00 The contribution of Michael Magdalinos to Econometrics

Chair: Yiannis Ioannidis

Aris Spanos (Virginia Tech)

Elias Tzavalis (Queen Mary & Westfield College, University of London)

1:00 – 2:15 *Lunch*

2:15 – 3:45 Econometric Theory session in memory of Michael Magdalinos

Chair: Ekaterini Kyriazidou

[Aris Spanos \(Virginia Tech\) “Where do Statistical Models Come From? The Problem of Specification Uncertainty in Empirical Modeling” \[with Anya McGuirk \(Virginia Tech\)\]](#)

Discussant: Yiannis Ioannidis (Tufts University)

[Thanasis Stengos \(University of Guelph\) “Non-parametric Specification Testing of Non-nested Econometric Models” \[Qi Li \(University of Texas A&M\)\]](#)

Discussant: Ekaterini Kyriazidou (UCLA)

[Elias Tzavalis \(Queen Mary & Westfield College, University of London\) “Option Pricing Under Discrete Shifts in Stock Returns” \[with Kyriakos Chourdakis \(Queen Mary & Westfield College, University of London\)\]](#)

Discussant: Yiannis Billias (University of Cyprus)

WEDNESDAY, July 9

9:00 - 10:30 Debt and Prices Chair: Herakles Polemarchakis

[Costas Azariadis \(UCLA\) "Endogenous Debt Constraints in Lifecycle Economies" \[with Luisa Lambertini \(UCLA\)\]](#)

Discussant: Michael Haliassos (University of Cyprus)

[Marios Zachariadis \(Louisiana State University\) "The Impact of International Borders on Price Dispersion" \[with Mario Crucini \(Vanderbilt University\) and Chris Telmer \(Carnegie Mellon University\)\]](#)

Discussant: Kostas Axarloglou (Democritian University of Thrace)

10:30 - 11:00 *Coffee*

11:00 - 12:15 Applied Microeconomics Lecture Chair: Charalambos Aliprantis

[Yannis Ioannides \(Tufts University\) "The Evolution of City Size Distributions" \[\(with Xavier Gabaix, MIT\)\]](#)

12:15-1:45 Political Economy Chair: George Bitros

[Christos Kotsogiannis \(University of Exeter\) "Political Uncertainty and Policy Innovation" \[with Robert Schwager \(ZEW Mannheim\)\]](#)

Discussant: Minas Vlassis (University of Ioannina)

[Miltos Makris \(University of Exeter\) "Capital Market Integration and Tax Competition: The Political Economy Perspective" \[with Ben Lockwood \(University of Warwick\)\]](#)

Discussant: Antony Pavlopoulos (National Telecommunications Authority)

1:45-3:00 *Lunch*

3:00-5:30 Selected presentations Chair: Apostolis Philippopoulos

Includes (list to be finalized):

[Iordanis Petsas \(University of Scranton\) "Sustained Comparative Advantage in a Model of Schumpeterian Growth without Scale Effects"](#)

[Anthony Pavlopoulos \(National Telecommunications and Post Commission\) "Demand and Growth"](#)

George Bitsakakis (Oxford) "Bounded Rationality and Dynamic Determinacy of Equilibrium"

Peghe Braila (University of Milan-Bicocca) "Some Results on a CAMP with Home-Production"

Krina Griva (AUEB, Econ - doctoral candidate) "Two-part tariff pricing with homogeneous goods" (with Nikos Vettas, AUEB)

[Charalambos Christou \(AUEB, Econ - doctoral candidate\) "Informative advertising and product differentiation" \(with Nikos Vettas, AUEB\)](#)

[Leonidas Rombolis \(AUEB, Finance - doctoral candidate\) "Nonparametric Estimation of State-Price Densities Using Characteristics Functions and Option Prices" \(with Elias Tzavalis, Queen Mary, University of London\)](#)

[Elisavet Lykoyianni \(Leuven - doctoral candidate\) "Optimal Mode of Foreign Market Entry: The Effect of R&D Expenditures and Innovation Spillovers"](#)

Additional papers - to be announced

5:30- 6:00 Poster session

8:30 *Conference Dinner*

THURSDAY, July 10

9:00 – 10:30 Labor Chair: Konstantine Gatsios (Athens Univ. of Econ. and Business)

[Ekaterini Kyriazidou \(UCLA\) “Married Women Intertemporal Labor Force Participation in Germany: A Panel Data Analysis” \[with Enrica Croda \(UCLA\)\]](#)

Discussant: Thanasis Stengos (University of Guelph)

Thomas Moutos (Athens University of Economics and Business) “Technological Change, Work-sharing and Inequality”

Discussant: Vangelis Vassilatos (Athens Univ. of Economics and Business)

10:30 – 11:00 *Coffee*

11:00 – 11:30 General Discussion – planning for next year

11:30 – 1:45 Environment / Resource Economics Chair: Anna Hardman

[Anastasios Xepapadeas \(University of Crete\) “Instabilities and Robust Control in Fishery Management” \[with Catarina Roseta-Palma \(ISCTE\)\]](#)

Discussant: Eleftherios Zaharias (University of Ioannina)

[Phoebe Koundouri \(University of Reading and UCL\) “Endogenous Technology Adoption under Production Risk: Theory and Application to Irrigation Technology” \[with Celine Nauges \(LEERNA-INRA, Toulouse\) and Vangelis Tzouvelekas \(University of Crete\)\]](#)

Discussant: Iordanis Petsas (University of Scranton)

[Panos Hatzipanayotou \(Athens University of Economics and Business\) “Optimal Tax Policies with Private-Public Clean-Up, Cross-Border Pollution and Capital Mobility” \[with Costas Hadjiyiannis \(University of Cyprus\) and Michael Michael \(University of Cyprus\)\]](#)

Discussant: Konstantine Gatsios (Athens University of Economics and Business)

2:45 – 4:00 *Lunch*