

Grants and Awards

Fall 2015

Professor Elias Tzavalis has received research funding from the John S. Latsis Public Benefit Foundation, for the period 2015-2016



LATSIS FOUNDATION – COMPETIVENESS OF THE GREEK MANUFACTURING AND SERVICE INDUSTRIES

Professor Elias Tzavalis (principal investigator)

Assistant Professor Michael Polemis – Economics, University of Piraeus

Lecturer Yannis Karavias – Statistics, University of Birmingham

This research project aims to investigate the level of market power of the Greek manufacturing and services industries over the period 1970-2007. This will be done by estimating mark-up ratios, which will be compared to the Eurozone ones. Our analysis will also focus on examining if deregulation policies adopted during our sample have had positive effects on the competition levels of the above industries.

Professor Elias Tzavalis also received research funding from the second ARISTEIA program, for the period 2013-2015

ARISTEIA II (2013-2015) - LARGE SHOCKS

Professor Elias Tzavalis (principal investigator)

Professor Dimitris Xristopoulos – Panteion University – researcher

Assistant Professor Ioannis Vrontos – Statistics, AUEB – researcher

Assistant Professor Stelios Arvanitis – Economics, AUEB – researcher

Assistant Professor Leonidas Rompolis – Accounting & Finance, AUEB – researcher

The research project "Large Shocks" is selected for funding under the competitive ARISTEIA II Research Program of the General Secretariat of Research and Technology (Ministry of Education). This project will investigate the dynamic impact of large shocks on the stability of economic relationships and/or the level of macroeconomic series. This will be done based on a new econometric methodology which allows for permanent shifts in economic relationships which are endogenously driven by large economic shocks of different sources, as part of model specification. These large shocks can be identified by the data by being bigger in size than a threshold parameter which can be estimated based on a search procedure. The timing and magnitude effects of these shocks on economic relationships will be stochastic in nature. Interesting economic policy applications of the above methodology include: the detrending of macroeconomic series, the detection of speculative bubbles in asset markets, the impact of market and monetary large pieces of news on stock market's volatility, the link between economic fluctuations and extraordinary macroeconomic shocks or natural disasters.

Professor Apostolis Philippopoulos has received research funding from the second ARISTEIA program



ARISTEIA II (2013-2015) - PUBLIC SECTOR REFORM

Professor Apostolis Philippopoulos (principal investigator)

Associate Professor George Economides – DIEES, AUEB – researcher

Assistant Professor Vangelis Vassilatos – Economics, AUEB – researcher

The role and size of the public sector have always attracted a lot of interest in both academic and policy circles. This issue is especially acute today. Given the massive fiscal imbalances worldwide after the 2008-9 world financial and economic crisis, there are strong calls for reforming the public sector. This can mean a smaller size of the public sector, a more productive public sector, a new agenda for the public sector, or a combination of all this. Calls for reforming the public sector are especially strong in highly-indebted European countries, like Greece. Decades of oversized and unproductive public sectors have led to unmanageable public debt, high sovereign risk premia and distorted private incentives. Recent reductions in public spending and/or increases in tax rates - not accompanied by reforms - have depressed output further below potential and have worsened the debt dynamics, so an alternative viable strategy plan is urgently needed. A reform of the public sector is a necessary part of such a plan.

Which public sector reforms can help the aggregate economy? Besides, what are the distributional implications of those reforms? The distributional implications are important because, even when reforms are good for the general interest (they increase, for instance, per capita output and welfare), they are unlikely to be implemented when they hurt special interests, or when some social groups fail to internalize the indirect general equilibrium benefits which may be less salient than direct costs. This is especially the case in the public sector, where special interests have a strong political influence in blocking reforms. Hence, this project aims to investigate the aggregate and distributional implications of a number of reforms in the public sector. The project will focus on reforms that seem to attract a lot of interest in policy circles nowadays, but have not been studied and ranked by the academic macroeconomic literature.

Professor Yannis Katsoulacos and Professor Aikaterini Kyriazidou have received research funding from the first ARISTEIA program



ARISTEIA I (2012-2015) – COMPETITION, LAW ENFORCEMENT AND GROWTH (CoLEG)

Professor Yannis Katsoulacos (scientific coordinator and principal investigator)

Professor Aikaterini Kyriazidou (principal investigator)

The project has two main objectives. The first objective is to contribute to the theoretical policy-oriented literature on optimal enforcement procedures for Competition Policy. Specifically, to extend in collaboration with 3 doctorate students, recent work on Optimal Enforcement Procedures and Legal Uncertainty, on Optimal Substantive Standards (objectives) for Competition Policy and on Optimal Penalties (under different legal standards and legal uncertainty). The second objective is to contribute to the empirical literature on the impact of the quality of the regulatory environment on competition and productivity growth with special emphasis on Greece.