



1st INTERNATIONAL CONFERENCE

SOEGW **Small Open Economies
in a Globalized World**

Rimini, August 29th - September 2th 2006

CONFERENCE PROGRAMME



ALMA MATER STUDIORUM
UNIVERSITÀ DI BOLOGNA

*Faculty of Economics at Rimini
Department of Economics*



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SOEGW

SMALL OPEN ECONOMIES IN A GLOBALIZED WORLD

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REGISTRATION

August 29th **From 10.30 a.m. to 06.30 p.m.**

(Location: Faculty of Economics, Via Angherà 22, Rimini, Entrance)

August 30th and 31st, September 1st **From 08.30 a.m. to 06.30 p.m.**

(Location: Faculty of Economics, Via Q. Sella 13, Rimini, Room A.2)

Tuesday, August 29th

05.30 p.m. – 06.00 p.m. **WELCOME to SOEGW (AULA MAGNA)**
(Location: Faculty of Economics, Via Angherà 22, Rimini)

06.00 p.m. – 07.00 p.m. **PLENARY SESSION I (PS1) (AULA MAGNA)**
(Location: Faculty of Economics, Via Angherà 22, Rimini)
Chair: M. Bordo (Rutgers, The State University of New Jersey)
Speaker: F. Cesarano (Bank of Italy)

OPTIMUM CURRENCY AREAS: A POLICY VIEW

From 08.00 p.m. **CONFERENCE WELCOME COCKTAIL**

Wednesday, August 30th

08.30 a.m. – 10.00 a.m. **PARALLEL SESSIONS (Rooms A.1, A.4, A.5, A.6)**
(Location: Faculty of Economics, Via Q. Sella 13, Rimini)

Room A.1 ***DYNAMIC ECONOMETRICS (S1)***

Chair: T. Panagiotidis (Loughborough University)

A Time-Frequency Analysis of the Coherences of the US Business Cycle and the European Business Cycle

A. H. Hallet (Vanderbilt University and CEPR)

C. Richter (Loughborough University)

Uncovering Yield Parity: A New Insight into the UIP Puzzle through the Stationarity of Long Maturity forward Rates

Z. Darvas (Corvinus University Budapest)

G. Rappai (University of Pécs)

Z. Schepp (University of Pécs)

On the Predictability of Common Risk Factors in the US and UK Interest Rate Swap Markets: Evidence from Non-linear and Linear Models

I. Lekkos (Eurobank Ergasias)

C. Milas (Keele University)

T. Panagiotidis (Loughborough University)

Room A.4 ***ECONOMICS OF TOURISM I (S2)***

Chair: P. Figini (University of Bologna, and CHILD)

Tourism Investment and Public Choice: Holiday Houses vs. Hotels

G. Candela (University of Bologna)

M. Castellani (University of Bologna)

M. Mussoni (University of Bologna)

On-line International Price Discrimination with and without Arbitrage Opportunities?

E. Bachis (University of Nottingham)

C. Piga (Loughborough University)

Tourism Specialisation and Environmental Sustainability in a Dynamic Economy

F. Cerina (CRENoS and University of Cagliari)

Room A.5 ***INFLATION AND CURRENCY UNIONS (S3)***

Chair: L. Sabani (University of Florence)

From Currency Unions to a World Currency: a Possibility?

D. Furceri (University of Illinois at Chicago)

Global Inflation

M. Ciccarelli (European Central Bank)

B. Mojon (European Central Bank and Université de la Méditerranée)

Dollarization, Financial Intermediation and Real Activity: The Inflation Threshold

G. Antinolfi (Washington University)

C. M. Landeo (University of Alberta)

M. Nikitin (University of Alberta)

Room A.6 ***NOMINAL PRICE ADJUSTMENT (S4)***

Chair: J. Konieczny (Wilfrid Laurier University)

Lumpy Price Adjustment: A Microeconomic Analysis

E. Dhyne (National Bank of Belgium)

C. Fuss (National Bank of Belgium and Université Libre de Bruxelles)

H. Pesaran (University of Cambridge)

P. Selvestre (Université Paris 1 and Banque de France)

Price Adjustment in Italy: Evidence from Micro Producer and Consumer Prices

S. Fabiani (Bank of Italy)

A. Gattulli (Bank of Italy)

G. Veronese (Bank of Italy)

R. Sabbatini (Bank of Italy)

Regular Adjustment: Theory and Evidence

J. Konieczny (Wilfrid Laurier University)

F. Rumler (Austrian National Bank)

10.00 a.m. – 11.30 a.m.**PARALLEL SESSIONS** (Rooms A.1, A.4, A.5, A.6)*(Location: Faculty of Economics, Via Q. Sella 13, Rimini)***Room A.1** ***ECONOMICS OF TOURISM II (S5)***

Chair:

C. Piga (Loughborough University)

Entry and Exit in a Liberalised Market

M. J. Molto (Loughborough University)

C. Piga (Loughborough University)

Estimating Tourist External Effects on Residents: A Choice Modelling Application

M. Castellani (University of Bologna)

P. Figini (University of Bologna, and CHILD)

L. Vici (University of Bologna)

Structural Analysis and Tourist Movements of Holiday Destinations

G. Candela (University of Bologna)

S. Giannerini (University of Bologna)

A. Scorcu (University of Bologna)

Room A.4 ***APPLIED LABOUR ECONOMICS I (S6)***

Chair:

J. Addison (University of South Carolina, GEMF/Universidade de Coimbra and IZA Bonn)

Intergenerational Transition of Abilities and Self Selection of Mexican Immigrants

V. Caponi (Ryerson University)

Educational Attainment and Wages in Brazil

C. Binelli (UCL and IFS)

C. Meghir (UCL and IFS)

N. Menezes-Filho (University of Sao Paulo)

The Determinants of the Employment Structure: Wages, Trade Technology and Organizational Change. An Analysis Using Matched Employee-Employer Data from the German LIAB. Will the High Unskilled Worker Own-Wage Elasticity Please Stand Up?

J. T. Addison (University of South Carolina, Universidade de Coimbra And IZA)

L. Bellmann (IABBA and IZA)

T. Schank (University Erlangen-Nürnberg)

P. Teixeira (Universidade de Coimbra)

Room A.5 **ECONOMIC HISTORY (S7)**

Chair: V. Zamagni (University of Bologna)

Canada's Experience with a Floating Rate in the 1950's: Lessons for Modern Monetary Policy in a Small Open Economy

M. Bordo (Rutgers, The State University of New Jersey)

A. Dib (Bank of Canada)

L. Schembri (Bank of Canada)

Productivity Growth in a Small Export Led Economy Swedish Manufacturing Industries 1952-2001

C. Josephson (LSE)

Room A.6 **APPLIED GROWTH (S8)**

Chair: T. Stengos (University of Guelph)

Distorting Taxes, Public Expenditures and Economic Growth: Theory and Evidence from the OECD

K. Angelopoulos (Athens University of Economics and Business)

G. Economides (Athens University of Economics and Business)

P. Kammass (Athens University of Economics and Business)

Public Capital Maintenance and Congestion: Long-Run Growth and Fiscal Policies

E. Dioikitopoulos (Athens University of Economics and Business)

S. Kalyvitis (Athens University of Economics and Business)

The Effects of Information Technology and Human Capital on Economic Growth

E. Ketteni (University of Cyprus)

T. Mamuneas (University of Cyprus)

T. Stengos (University of Guelph)

11:30 a.m. – 12:00 a.m. COFFEE BREAK

(Location: Faculty of Economics, Via Q. Sella 13, Rimini)

12:00 a.m. – 01:00 p.m. PLENARY SESSION II (PS2) (AULA MAGNA)

(Location: Faculty of Economics, Via Angherà 22, Rimini)

Chair: E. Agliardi (University of Bologna)

Speaker: G. Bertola (European University Institute and University of Turin)

SOCIAL POLICY AND ECONOMIC INTEGRATION

01:00 p.m. – 03:00 p.m. LUNCH (Room AULA 3)

(Location: Faculty of Economics, Via Angherà 22, Rimini)

03.00 p.m. – 04.30 p.m. **PARALLEL SESSIONS** (Rooms A.1, A.4, A.5, A.6)
 (Location: Faculty of Economics, Via Q. Sella 13, Rimini)

Room A.1 **EUROPEAN UNION POLICIES (S9)**

Chair: S. Gruber (University of Innsbruck)

Specialisation and Concentration in Central Europe: A Spatial Econometrics Approach

M. Feldkircher (IHS, Wien)

W. Polasek (IHS, Wien)

Entry Rates and Risks of the Misalignment in EU8

T. Fic (National Bank of Poland and NIESR, London)

R. Barrell (NIESR, London)

D. Holland (NIESR, London)

Location Choices of Multinational Firms in Europe: the Role of National Boundaries and EU Policy

R. Basile (University of Macerata)

D. Castellani (University of Urbino)

A. Zanfei (University of Urbino)

Room A.4 **OPEN ECONOMY MACROECONOMICS (S10)**

Chair: A. Cigno (University of Florence, CESifo, CHILD and IZA)

Sovereign Debt Capacity and the Distribution of Domestic Wealth: A Common Agency Model

D. Di Gioacchino (University of Rome)

S. Ginebri (University of Molise, CIDEI)

L. Sabani (University of Florence)

Testing the Fiscal Theory of the Price Level for European Countries: A Cointegrated VAR Approach

F. Farina (University of Siena)

R. Ricciuti (University of Florence)

The Schengen Treaty Effect on Foreign Direct Investment Flows

D. Federici (University of Cassino)

M. Giannetti (University of Rome)

Room A.5 **MACROECONOMIC ISSUES IN TRANSITION COUNTRIES (S11)**

Chair: I. Korhonen (Bank of Finland, Institute for Economies in Transition)

Demand for Money in Transition: Evidence From China's Disinflation

A. Mehrotra (Bank of Finland, Institute for Economies in Transition)

Equilibrium Exchange Rates in Oil-Dependent Countries

I. Korhonen (Bank of Finland, Institute for Economies in Transition)

T. Juurikkala (Bank of Finland, Institute for Economies in Transition)

Default Rates in the Loan Market for SMEs: Evidence from Slovakia

J. Fidrmuc (University of Munich)

C. Hainz (University of Munich)

A. Malesich (Comenius University Bratislava)

Room A.6 ***MACROECONOMIC ISSUES (S12)***

Chair: L. Michelis (Ryerson University)

Further Results on Monopolistic Competition, Markup Pricing and the Business cycle in Switzerland

C. Mueller (Swiss Federal Institute of Technology)

Turning the Microscope on Labour Reallocations in the Canadian Provinces

T. Panagiotidis (Loughborough University)

G. Pelloni (University of Bologna)

The Patterns and Determinants of Price Setting in the Belgian Industry

D. Cornille (National Bank of Belgium and Ghent University)

M. Dossche (National Bank of Belgium, SHERPA and Ghent University)

04.30 p.m. – 05.00 p.m. COFFEE BREAK*(Location: Faculty of Economics, Via Q. Sella 13, Rimini)***05.00 p.m. – 06.30 p.m. PARALLEL SESSIONS (Rooms A.1, A.4, A.5, A.6)***(Location: Faculty of Economics, Via Q. Sella 13, Rimini)***Room A.1** ***BUSINESS CYCLES I (S13)***

Chair: A. Zervoyanni (University of Patras)

Assessing Heterogeneity in EU25: Structural Differences, Business Cycle Synchronization and Shock Symmetry

A. Zervoyanni (University of Patras)

S. Zografakis (University of Patras)

A. Anastasiou (University of Patras)

Banking in a Theory of the Business Cycle: Some Empirical Evidence and Policy Implications

R. Krainer (University of Wisconsin-Madison)

Room A.4 **ENVIRONMENTAL ISSUES (S14)**

Chair: J. Gaisford (University of Calgary)

Kyoto in Question: A North-South-OPEC Model of Fossil-Fuel Use and Greenhouse-Gas Emission

J. Gaisford (University of Calgary)

J. Sagidova (University of Calgary)

Agricultural Trade and Environmental Policies in a Polluted Small Open Economy

D. A. Gallegos (Instituto Tecnológico de Monterrey)

The Trade Effects of Indian Antidumping Actions

B. Ganguli (Rutgers, The State University of New Jersey)

Room A.5 **LOCALIZATION AND OPEN ECONOMIES (S15)**

Chair: W. Polasek (IHS, Wien)

Relative Remote Rural Areas (RRRA) in Developed Regions: An Analysis of the Emilia-Romagna Region to Support Policy Decision Making

E. Zabbini (University of Bologna)

S. Grandi (University of Bologna)

F. Dallari (University of Bologna)

To Migrate or to Commute?

S. Gruber (University of Innsbruck)

Local Factor Supply Changes in Small Open Economies: Rybczynski Derivatives under Increasing Marginal Cost

A. Pfigsten (University of Münster)

R. Wolff (University of Fribourg)

Room A.6 **PANEL I : COMMON CURRENCY (P1)**

Chair: J. Konieczny (Wilfred Laurier University)

Panelists:

M. Bordo (Rutgers, The State University of New Jersey)

F. Cesarano (Bank of Italy)

P. Manasse (University of Bologna)

J. Murray (Bank of Canada)

08:30 p.m

CONFERENCE DINNER

Thursday, August 31st

08.30 a.m. – 10.00 a.m. **PARALLEL SESSIONS** (Rooms A.1, A.4, A.5, A.6)
 (Location: Faculty of Economics, Via Q. Sella 13, Rimini)

Room A.1 **BAYESIAN MODELING(S16)**

Chair: P. Giordani (Bank of Sweden)

Alternative Time-Varying Parameter Specifications for Bayesian VAR Models

G. Amisano (University of Brescia)

L. Federico (Unicredit)

Efficient Bayesian Inference for Multiple Change-Point and Mixture Innovation Models

P. Giordani (University of New South Wales)

R. Kohn (University of New South Wales)

The Effects of Globalization on Taiwanese Business Cycles: A Structural Approach

W. L. Teo (National Taiwan University)

Room A.4 **INTERNATIONAL TRADE I (S17)**

Chair: J. Gaisford (University of Calgary)

Comparative Advantage Patterns and Domestic Determinants in Emerging Countries: An Analysis with a Focus on Technology

D. Marconi (Bank of Italy)

V. Rolli (Bank of Italy)

Technical Regulations and Specialization in International Trade

A. Essaji (Wilfrid Laurier University)

Terms of Trade Shocks in an Intertemporal Model: Should We Worry About the Dutch Disease or Excessive Borrowing?

K. Kuralbayeva (Lincoln College, University of Oxford)

D. Vines (University of Oxford and Australian National University)

Room A.5 **REAL AND FINANCIAL LINKAGES IN THE EUROPEAN UNION (S18)**

Chair: T. Barbiero (Ryerson University)

Modelling Convergence Dynamics: A Distance-Based Approach

D. Thomakos (University of Peloponnese)

C. Cottaridi (University of Peloponnese)

Measuring the Degree of Convergence Among European Business Cycles

A. Hallett (Vanderbilt University)

C. Richter (Loughborough University)

Term Structure Linkages Among the New EU Countries and the EMU

M. Koukouritakis (University of Crete)

L. Michelis (Ryerson University)

Room A.6 ***EXCHANGE RATE REGIMES I (S19)***

Chair: S. Ambler (CIRPEE, Université du Québec à Montréal)

Terms of Trade Shocks, Monetary Instability and Exchange Rate Regime Choice

S. Ambler (CIRPEE, Université du Québec à Montréal)

A Model of Self-fulfilling Exchange Rate Crisis with Sovereign Debts

M.L.B. Mulraine (University of Toronto)

The Choice Between Fixed and Flexible Exchange Rates: Which is Best for a Small Open Economy?

W. Berger (University of Hagen)

10.00 a.m. – 11.30 a.m. **PARALLEL SESSIONS** (Rooms A.1, A.4, A.5, A.6)
 (Location: Faculty of Economics, Via Q. Sella 13, Rimini)

Room A.1 ***ECONOMIC THEORY (S20)***

Chair: C. Z. Qin (University of California, Santa Barbara)

Financial Decision Making and Portfolio Choice under Behavioural Preferences: Implications for the Equity Home Bias Puzzle

A. Magi (University of Bologna)

Pseudomonotone Functions and an Application in the Theory of General Equilibrium

V.T.T. Binh (Foreign Trade University of Hanoi)

Uncertainty, Gains from Specialization and the Welfare State

M. Di Maio (University of Macerata)

Room A.4 ***STRATEGIC BEHAVIOUR I (S21)***

Chair: G. Zaccour (GERAD and HEC, Montreal)

A Model of Strategic Competition between Mutual Funds

M. Breton (GERAD, CREF and HEC Montréal)

J. Hugonnier (CREF, FAME and HEC Lausanne)

T. Masmoudi (CREF and HEC Montréal)

Competitive Emailing

G. Martin-Herran (Universitat de Valladolid)

O. Rubel (GERAD and HEC Montréal)

G. Zaccour (GERAD and HEC Montréal)

On the Effects of Resource Exploitation on Growth: Domestic Innovation vs. Foreign Direct Investment

F. Cabo (Universidad de Valladolid)

G. Martin-Herran (Universidad de Valladolid)

M.P. Martinez-Garcia (Universidad de Murcia)

Room A.5 *BUSINESS CYCLES II (S22)*

Chair: S. Ambler (CIRPEE, Université du Québec à Montréal)

Jobless Recoveries

D. Andolfatto (Simon Fraser University)

G. MacDonald (Washington University in St. Louis)

Measuring the Cost of Business Cycles with Preferences that Rationalize the Equity Premium

A. Melino (University of Toronto)

Catching up, Inflation and Credit Booms in a Heterogeneous Monetary Union: Some Implications for the EMU and EU New Member States

R. MacDonald (University of Glasgow)

C. Wojcik (Polish Academy of Sciences and Warsaw School of Economics)

Room A.6 *EMERGING MARKET ECONOMIES I (S23)*

Chair: F. Zagonari (University of Bologna)

Legal Institutions, Sectoral Heterogeneity, and Economic Development

R. Castro (University of Montreal)

G. Clementi (New York University)

G. Mac Donald (Washington University in St. Louis)

India's Service Sector Growth: A "New" Revolution

R. Verma (University of Southern California, USA)

A Decision Support System for Optimal Water Allocations: Economic, Social and Environmental Impacts on the East Route Diversion in China

M. Fan (Chinese Academy of Social Science, Beijing)

F. Zagonari (University of Bologna)

11:30 a.m. – 12:00 a.m. COFFEE BREAK

(Location: Faculty of Economics, Via Q. Sella 13, Rimini)

12:00 a.m. – 01:00 p.m. PLENARY SESSION III (PS3) (AULA MAGNA)

(Location: Faculty of Economics, Via Angherà 22, Rimini)

Chair: J. Konieczny (Wilfrid Laurier University)

Speaker: J. Murray (Bank of Canada)

DISAPPEARANCE OF THE DUTCH DISEASE? RECENT EXPERIENCE OF A COMMODITY PRODUCER

01:00 p.m. – 03:00 p.m. **LUNCH** (Room AULA 3)
(Location: Faculty of Economics, Via Angherà 22, Rimini)

03.00 p.m. – 04.30 p.m. **PARALLEL SESSIONS** (Rooms A.1, A.4, A.5, A.6)
(Location: Faculty of Economics, Via Q. Sella 13, Rimini)

Room A.1 _____ **FISCAL POLICY IN OPEN ECONOMIES (S24)**

Chair: J. P. Lam (University of Waterloo)

The Implications of Information Lags for the Stabilization Bias and Optimal Delegation

J. P. Lam (University of Waterloo)

F. Pelgrin (University of Lausanne)

Fiscal Shocks in a Small Open Economy

F. Furlanetto (University of Lausanne)

Crowding Out in Europe: Does Spillover Matter?

P. Claeys (European University Institute and University of Barcelona)

Room A.4 _____ **APPLIED LABOUR II (S25)**

Chair: V. Caponi (Ryerson University)

The Economics of Prozac: Do Employees Really Gain from Employment Protection?

E. Wasmer (Université du Québec à Montréal)

Measurements of Sectoral Shifts: Dispersion and Skewness

Y. Byun (Texas A&M University)

H. Hwang (Texas A&M University)

On the Incentives to Increase Input Efficiency under Monopoly Trade Unions

T. Biswas (Centre for Economic Policy, University of Hull)

J. McHardy (University of Sheffield)

Room A.5 _____ **FINANCIAL ECONOMETRICS (S26)**

Chair: J. Knight (University of Western Ontario)

Markovian Credit Risk Transition Probabilities under Non-negativity constraints for the US portfolio 1984-2004

G. A. Christodoulakis (Manchester Business School and Bank of Greece)

Small Caps in International Equity Portfolios: The Effects of Variance Risk

M. Guidolin (Federal Reserve Bank of St. Louis and CERP)

G. Nicodano (University of Turin and CERP)

Threshold Estimation of Jump-diffusion Models and Interest Rate Modelling

C. Mancini (University of Florence)

R. Reno (University of Siena)

Room A.6 ***MACROECONOMIC EFFECTS OF NOMINAL RIGIDITIES (S27)***

Chair: J. Konieczny (Wilfrid Laurier University)

Linking Individual and Aggregate Price Changes

A. Ratfai (Central European University)

Temporal Distribution of Price Changes: Staggering in the Large and Synchronization in the Small

J. Konieczny (Wilfrid Laurier University)

E. Dhyne (National Bank of Belgium and Université Libre de Bruxelles)

The Kinked Demand Curve and Price Rigidity: Evidence from Scanner Data

M. Dossche (National Bank of Belgium & Ghent University)

F. Heylen (Ghent University)

D. Van den Poel (Ghent University)

04.30 p.m. – 05.00 p.m. COFFEE BREAK*(Location: Faculty of Economics, Via Q. Sella 13, Rimini)***05.00 p.m. – 06.30 p.m. PARALLEL SESSIONS (Rooms A.1, A.5, A.6)***(Location: Faculty of Economics, Via Q. Sella 13, Rimini)***Room A.1** ***EXCHANGE RATE REGIMES II (S28)***

Chair: L. Sabani (University of Florence)

“News Shocks” in Small Open Economies

E. Prades Illanes (European University Institute)

Structural Reforms and the Exchange Rate Regime: A Panel Analysis for the World vs. OECD Countries

A. Belke (University of Hohenheim)

B. Hertz (University of Bayreuth)

L. Vogel (University of Bayreuth)

A Theoretical Analysis of Exchange Rate Regime Shifts and Stabilization

E. Post (University of Uppsala)

Room A.5 **MATHEMATICAL ECONOMICS (S29)**

Chair: T. Bandyopadhyay (University of California, Riverside)

Bayesian Games with Consistent Posteriors

C. Qin (University of California, Santa Barbara)

C. Yang (Center for Humanity and Social Science, Academia Sinica-Taipei)

Incentives in Team Sports

M. Piovesan (University of Padova)

On Separating Equilibria with Positive Excess Demand for a Monopolistic Market

T. Bandyopadhyay (University of California, Riverside)

C. Z. Qin (University of California, Santa Barbara)

Room A.6 **PANEL II : ISSUES IN REAL AND MONETARY INTEGRATION (P2)**

Chair: M. Plummer (Johns Hopkins, Bologna Center)

Panelists: R. Click (G. Washington University)

A. Kose (IMF)

H. Ulku (University of Manchester)

08:30 p.m **CONFERENCE DINNER**

Friday, September 1st

08.30 a.m. – 10.00 a.m. **PARALLEL SESSIONS** (Rooms A.1, A.4, A.5, A.6)
(Location: Faculty of Economics, Via Q. Sella 13, Rimini)

Room A.1 **TECHNOLOGY AND TRADE (S30)**

Chair: P. Figini (University of Bologna)

International Competition. Growth and Optimal R&D Subsidies

G. Impullitti (New York University and New School University)

Vintage-Capital-Driven Technology Diffusion in a Small Open Economy

S. Truskolaski (Poznan University of Economics)

The Role of Emerging Technologies in Generating Gains from Trade

R. Szostak (University of Alberta)

Room A.4 **INDUSTRIAL ORGANIZATION (S31)**

Chair: L. Lambertini (University of Bologna)

Persuasive Advertising in Oligopoly: A Linear State Differential Game

R. Cellini (University of Catania)

L. Lambertini (University of Bologna)

A. Mantovani (University of Bologna)

Patterns of Location in a Vertically Differentiated Industry

E. Bacchiega (University of Bologna)

A. Minniti (CORE, Université Catholique de Louvain)

Disclosing vs. Withholding Technology Knowledge in Duopoly

E. Bacchiega (University of Bologna)

P. G. Garella (University of Bologna)

Room A.5 **INTERNATIONAL TRADE II (S32)**

Chair: R. Ricciuti (University of Florence)

A Simple Motivation for Block wise Enlargement of Custom Unions

M. J. Ryan (University of Hull)

Trade Policy and the Household Distribution of Income

J. Francois (Tinbergen Institute, Erasmus University and CEPR)

H. Rojas-Romagosa (CPB Netherlands Bureau for Economic Policy Analysis)

The Dynamics of External Adjustment: Evidence from Emerging Markets

H. Pan (University of California, Davis)

Room A. 6 **MONETARY POLICY IN AN OPEN ECONOMY (S33)**

Chair: M. Marzo (University of Bologna)

Growth, Devaluation and the Monetary Adjustment in an Small Open Economy: The Case of China

Y. Zhang (Fordham University)

Optimal Monetary Policy in a Small Open Economy with Home Bias

E. Faia (Pompeu Fabra University)

T. Monacelli (IGIER, Bocconi University and CEPR)

Optimal Monetary Policy Coordination in a Monetary Union: Does Fiscal Policy Coordination Matter?

C. Forlati (Pompeu Fabra University)

10.00 a.m. – 11.30 a.m. PARALLEL SESSIONS (Rooms A.1, A.4, A.5, A.6)
(Location: Faculty of Economics, Via Q. Sella 13, Rimini)

Room A.1 *INTERNATIONAL INVESTMENT (S34)*

Chair: S. Gruber (University of Innsbruck)

On the Relationship between Foreign Direct Investment and Wage Inequality in Host Countries

P. Figini (University of Bologna)

H. Gorg (University of Nottingham)

Foreign capital in Latin America: A Long-run Structural Global VAR Perspective

M. Boschi (University of Essex)

Manufacturing wages in an Enlarged EU: A New Economic Geography Approach

H. Marques (Loughborough University)

Room A.4 *FISCAL POLICY AND INSTITUTIONS (S35)*

Chair: P. Manasse (University of Bologna)

Governance and Macroeconomic Performances

H. Kempf (University of Paris I)

Is There a Social Security Tax Wedge

A. Cigno (University of Florence, CESifo, CHILD and IZA)

Pro-cyclical Fiscal Policy: Shocks, Rules

P. Manasse (University of Bologna)

Room A.5 *FINANCE AND INSTITUTIONS (S36)*

Chair: E. Agliardi (University of Bologna)

Financial Market Integration, Risk Sharing, and Institutions: Theory and Evidence

V. Volosovych (University of Huston)

A Contribution to the Theory and Practice of Rational Financial Contracting

R. Krainer (University of Wisconsin)

Corporate Fraud, Risky Debt and Liquidation Policy

E. Agliardi (University of Bologna)

R. Andergassen (University of Bologna)

Room A.6 *STRATEGIC BEHAVIOUR II (S37)*

Chair: G. Zaccour (GERAD and HEC, Montréal)

***Effects of a Common Monetary Policy on a Small EMU Member State
- A Multi-Sectoral Approach***

J. Plasmans (University of Antwerp and Tilburg University)

T. Michalak (University of Antwerp)

J. Fornero (University of Antwerp)

***On Capturing Rent from a Non-Renewable Resource International
Monopoly: a Dynamic Game Approach***

S. J. Rubio (University of Valencia)

***Two-Stage Games of Endogenous Fiscal Coalition Formation:
Institutional Design of Stabilization Policies and the Accession to a
Monetary Union***

J. Engwerda (Tilburg University)

T. Michalak (University of Antwerp)

J. Plasmans (University of Antwerp and Tilburg University)

B. van Aarle (University Maastricht)

11:30 a.m. – 12:00 a.m. COFFEE BREAK

(Location: Faculty of Economics, Via Q. Sella 13, Rimini)

12:00 a.m. – 01:00 p.m. PLENARY SESSION IV (PS4) (AULA MAGNA)

(Location: Faculty of Economics, Via Angherà 22, Rimini)

Chair: R. Mundell (New York University)

Speaker: B. Spencer (University of British Columbia, Canada)

***INTERNATIONAL OUTSOURCING AND THE THEORY OF
ORGANIZATIONAL FORM***

01:00 p.m. – 03:00 p.m. LUNCH (Room: AULA 3)

(Location: Faculty of Economics, Via Angherà 22, Rimini)

03:00 p.m. – 04:30 p.m. PARALLEL SESSIONS (Rooms A.1, A.4, A.5, A.6)

(Location: Faculty of Economics, Via Q. Sella 13, Rimini)

Room A.1 GROWTH AND TRADE (S38)

Chair: R. Verma (University of Southern California, USA)

***Trade Growth and Increasing Returns to Infrastructure: The Role of
the Sophisticated Monopolist***

A.S. Guaha (Jawaharlal Nehru University)

B. Guaha (Singapore Management University)

Uncertainty, Optimal Specialization and Growth

M. Di Maio (University of Macerata)

M. Valente (University of L'Aquila)

Traffic Sensitivity of Long Term Regional Growth Forecasts

W. Polasek (IHS, Wien)

Room A.4 **SMALL OPEN ECONOMIES (S39)**

Chair: A. Zervoyianni (University of Patras)

The Credit Channel in a Small, Open Economy

S. Junayed (Carleton University)

H. Schaller (Carleton University)

Cross-border Acquisitions vs. Domestic Acquisitions: New Evidence from a Small Open Economy

G. Argiros (University of Patras)

A. Georgopoulos (University of Patras)

G. Boura (University of Patras)

How do Foreign Shocks Affect Small Open Economies? Evidence from Structural Estimation

C. Moeser (Humboldt University of Berlin)

Room A.5 **EMPIRICAL STUDIES OF INTERNATIONAL TRADE IN EUROPE (S40)**

Chair: T. Bandyopadhyay (University of California, Riverside)

On the balance of Intra-European Trade

T. Biswas (Centre for Economic Policy, University of Hull)

J. McHardy (University of Sheffield)

The Euro and Trade: Is there a Positive Effect?

T. Gomes (Institute for International Studies)

C. Graham (Bank of Canada)

J. Helliwel (University of British Columbia)

T. Kano (Bank of Canada)

J. Murray (Bank of Canada)

L. Schembri (Bank of Canada)

The Export Behaviour of Small and Medium Sized Firms: Evidence from UK Data

A. Gourlay (Loughbouroug University)

Room A.6 **CAPITAL MARKETS AND POLICY (S41)**

Chair: R. Krainer (University of Wisconsin)

Housing Market and Current Account Imbalances in a Two-Sector Open Economy Model

M. T. Punzi (Boston College)

Sudden Stops, Banking Crises and Investment Collapses in Emerging Markets

J. Joyce (Wellesley College)

M. Nabare (Wellesley College)

Monetary Policy and Term Structure: A Structural Approach

M. Marzo (University of Bologna)

P. Zagaglia (Stockholm University and Bocconi University)

04.30 p.m. – 05.00 p.m. COFFEE BREAK
(Location: Faculty of Economics, Via Q. Sella 13, Rimini)

05.00 p.m. – 06.30 p.m. PARALLEL SESSIONS (Room A.6)
(Location: Faculty of Economics, Via Q. Sella 13, Rimini)

Room A.6 **PANEL III: LABOUR MARKETS IN A GLOBALIZED WORLD (P 3)**

Chair: G. Pelloni (University of Bologna)

Panelists: J. Addison (University of South Carolina, GEMF-Universidade de Coimbra, and IZA)
 D. Benjamin (University of Toronto)
 G. Bertola (EUI & University of Turin)
 E. Wasmer (Université du Québec à Montréal)

08.00 p.m. – 09.00 p.m. PLENARY SESSION V – DINNER SEMINAR (PS5)
(Location: GRAND HOTEL IN RIMINI, entrance from Parco Federico Fellini)

Chair: B. Spencer (University of British Columbia, Canada)
 Speaker: R. Mundell (New York University)
THE DEVELOPMENT OF THE TRADE MODEL

09:00 p.m CONFERENCE DINNER

Saturday, September 2nd

11.30 a.m. H.D. CEREMONY
(Location: Faculty of Economics, Via Q. Sella 13, Rimini - Cittadella Universitaria – Complesso Leon Battista Alberti)
AWARD OF A BOLOGNA UNIVERSITY H.D. TO PROFESSOR ROBERT ALEXANDER MUNDELL

In the afternoon:

The Province of Rimini offer to SOEGW PARTICIPANTS and accompanying persons a GUIDED TOUR TO THE HISTORICAL CENTER OF RIMINI

Duration of the tour: 2/3 hour - Departure Time: 03:00 p.m.

Information are available at the registration desk

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SOEGW conference is an international meeting aimed at assembling an international group of leading economists to present and discuss their research on issues concerning small open economies in the fast changing environment of the current globalized world. The conference will focus on international trade in goods and services, including tourism, international finance and international monetary and fiscal policies. Since small open economies are facing challenges in dimensions which bypass the usual borders of international economics, papers in other areas of economics have been invited, including business cycles analysis, economic geography, general equilibrium, growth, industrial organization, labour economics, quantitative methods and regional development.

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