

THE RIMINI CONFERENCE in ECONOMICS and FINANCE

RCEF-2014 ***The Next Convergence***

Conference Locations and Rooms

Centro Congressi SGR

Via G. Chiabrera, 34, 47924 Rimini, Italy

www.centrocongressisgr.it

Conference Rooms

- Sala Energia
- Sala Acqua
- Sala Sole A
- Sala Sole B
- Sala Terra
- Sala Aria

Grand Hotel Rimini

Parco Federico Fellini 1

Rimini, Italy

www.grandhotelrimini.com

Monday, June 9

8:00 - 8:30 am: **Registration** (Room: Entrance - Sala Energia)

8:30 - 8:45 am: **Welcoming Addresses** (Room: Sala Energia)

8:45 - 9:45 am: **PLENARY SESSION** (Room: Sala Energia)
“The Luciano Chicchi Memorial Lecture”

Chair: *Jurek Konieczny*

[Property rights in economic growth](#)

Costas Azariadis

9:45 - 11:15 am: **SESSION 1**

Bayesian Workshop: Finance (Room: Sala Acqua)

Chair: *John Maheu*

1. **Investing in mutual funds when the distribution of stock-picking skill is unknown**, *Mark Jensen*, Mark Fisher and Paula Tkac
2. **Modeling time-varying asymmetry and tail behavior in long series of daily financial returns**, *Blazej Mazur* and Mateusz Pipien
3. **[Modeling covariance breakdowns in multivariate GARCH](#)**, *Xin Jin* and *John Maheu*
4. **[The conditional CAPM can explain asset pricing anomalies](#)**, *Daniele Bianchi*

Financial Markets I (Room: Sala Sole A)

Chair: *Ilias Tsiakas*

1. **[The Baltic dry index: Cyclicalities, forecasting and herding strategies](#)**, *Fotis Papailias* and *Dimitrios Thomakos*
2. **Contagion in US stock markets: Realized correlation analysis**, *Dimitrios Vortelinos*
3. **Out of sample equity premium prediction using financial information**, *Ilias Tsiakas* and *Jiahan Li*

Corporate Finance (Room: Sala Sole B)

Chair: *Georgios Papanastasopoulos*

1. **The different effect of R&D on predicting earnings and stock price**, *John Sorros*
2. **Measuring too-big-to-fail funding advantages from small banks' CDS spreads**, *Kristina Marinova*, Michiel Bijlsma and Jasper Lukkezen
3. **Managerial discretion, net operating assets and the cross-section of stock returns in Europe**, *Georgios Papanastasopoulos* and Dimitrios Thomakos

Price Setting (Room: Sala Energia)

Chair: *Jerzy Konieczny*

1. **Price roundness and price rigidity: Theory and evidence**, *Daniel Levy*, Avichai Snir and Haipeng (Allan) Chen
2. **Welfare enhancing collusive pricing on a network: A very peculiar practice?**, *Jolian McHardy*, Michael Reynolds and Stephen Trotter

Labour Economics I (Room: Sala Terra)

Chair: *Fraser Summerfield*

1. **Labor mobility, structural change and economic growth**, *Jaime Alonso-Carrera* and *Xavier Raurich*
2. **Employment Protection Legislation and Precautionary Saving**, *Giuseppe Dachille*
3. **Labor market conditions, skill requirements and education mismatch**, *Fraser Summerfield*

11:15-11:30 am: Coffee Break

11:30am -1:00 pm: SESSION 2

Regime-Switching Models (Room: Sala Aria)

Chair: *Marcelo Bianconi*

1. **Moments given regimes in Markov-switching VAR models**, *Gabriele Fiorentini*, *Cristophe Planas*, *Alessandro Rossi*

2. **Markov regime switching in mean and in fractional integration**, *Harun Ozkan, Ege Yazgan and Thanasis Stengos*
3. [Spectral density of regime models](#), *Maddalena Cavicchioli and Monica Billio*

Bayesian Workshop: Volatility (Room: Sala Acqua)

Chair: *Mark Jensen*

1. [The Stochastic volatility in mean model with time-varying parameters: An application to inflation modeling](#), *Joshua Chan*
2. **Efficient Bayesian inference in generalized Gamma processes for stochastic volatility**, *Roberto Leon-Gonzalez*
3. **Bayesian inference for heteroskedastic structural vector autoregressions**, *Matthieu Droumaguet, Helmut Lütkepohl and Tomasz Wozniak*
4. **Distribution forecasting in nonlinear models with stochastic volatility**, *Peter Exterkate*.

Financial Markets II (Room: Sala Sole A)

Chair: *Nikola Gradojevic*

1. [Predictors of triangular arbitrage opportunities: Interdependence and order book indicators](#), *Nikola Gradojevic, and Ramazan Gencay*
2. [Asset prices and the return to normalcy](#), *Ole Wilms, Walter Pohl and Karl Schmedders*
3. [Social Annuitization in an Adverse Selection Economy: Uniform or Proportional Contribution Rate?](#), *Yang Jiang*

Growth, Development, R&D and Productivity

(Room Sala Sole B)

Chair: *Lorenzo Zirulia*

1. [R&D poverty traps](#), *Fernando Sánchez-Losada and Abian Garcia-Rodriguez*
2. [Above a swamp: A theory of high-quality scientific production](#), *Lorenzo Zirulia, Nicola Lacetera and Bralind Kiri*
3. [Aggregate total factor productivity and aggregate elasticity of substitution in models with intermediate goods](#), *Vladimir Matveenko*

Money and the Stock Market (Room: Sala Energia)

Chair: *Steven Ambler*

1. **Monetary policy and debt fragility**, *Antoine Camous* and *Russel Cooper*
2. **Interdependence between monetary policy and the stock market in Canada**, *Jean-Paul Lam*
3. **ECB Policy and Multiple-Equilibria in the Eurozone: Was De Grauwe Right?**, *Orkun Saka* and *Ana Maria Fuertes*.
4. **Inflation and individual stocks over the long-run**, *George Bampinas* and *Theodoros Panagiotidis*

Economic Geography/GLUNLAB, Session 1

(Room: Sala Terra)

Chair: *Uwe Blien*

1. **Regional age structure, human capital and innovation - Is demographic ageing increasing regional disparities?**, *Terry Gregory* and *Roberto Patuelli*
2. **The role of the space on transitions to employment: Job accessibility and employment services**, *Patricia Suárez*, *Begoña Cueto*, *Matías Mayor* and *María Henar Salas-Olmedo*
3. **Technological progress and regional disparities in (un) employment**, *Uwe Blien* and *Oliver Ludewig*

1:00-2:30 pm: **Lunch**

2:30 - 4:00 pm: **SESSION 3**

Bayesian Workshop Special Session I

(Room: Sala Acqua)

Chair: *John Maheu*

1. **Keynote Speech**
Time-varying sparsity
Jim Griffin
2. **Special Talk**
Modelling inflation volatility,
Eric Eisenstat and ***Rodney Strachan***

Financial Markets III (Room: Sala Sole A)

Chair: *Dimitrios Vortelinos*

1. **Exchange rate, risk premium and factors: What can term structure of interest rates tell us about the dynamics of the exchange rate?**, *Likun Wang*
2. **Multi-criteria parameters for a new economic and financial management gives**, *Walter Amedzro St-Hilaire*
3. **Annuities calculation in Algeria: Continuous time Approach**, *Farid Flici*
4. **The impact of US macroeconomic announcements on correlation and co-jumps in US financial markets**, *Dimitrios Vortelinos*

Monetary Policy (Room: Sala Energia)

Chair: *Panagiotis Th. Konstantinou*

1. **Combining monetary and fiscal policy in an SVAR for a small open economy**, *Anna Sznajderska, Tomasz Jedrzejowicz and Alfred A. Haug*
2. **Bank risk taking, credit booms and monetary policy**, *Elena Afanasyeva and Jochen Guentner*
3. **Explaining the heterogeneity of the monetary policy transmission in the US housing market**, *Panagiotis Th. Konstantinou and Maria Christidou*

Economic Geography/GLUNLAB, Session 2:

(Room: Sala Terra)

Chair: *Theodore Panagiotidis*

1. **Trade pattern among the BRICs in 1992-2012: Rapid volume growth with growing dissimilarity**, *Svetlana Ledyeva and John Whalley*
2. **Spatial clubs in European regions**, *Davide Fiaschi, Lisa Gianmoena and Angela Parenti*
3. **A nonlinear pair-wise approach for the UK regional house prices**, *Eleni Kyriazakou and Theodore Panagiotidis*

Middle-Income Transition (Room: Sala Sole B)

Chair: *Sergey Mitsek*

1. **The protection of rights and freedom as a factor for rising of the national competitiveness for transitional economy**, *Maria Baranova, Aljona Rogova, Asja Solovieva*
2. **Long-term-growth of the Eurasian economic union**, *Catherine Gospodarik and Mikhail Kovalev*
3. **Econometric model of economic growth, macroeconomic dynamics, and fiscal and monetary policy in Russian Federation**, *Sergey Mitsek*

4:00 - 4:15 pm: Coffee Break

4:15 - 6:00 pm: SESSION 4

Bayesian Workshop: Time Varying Parameter Models (Room: Sala Acqua)

Chair: *Roberto Leon-Gonzalez*

1. **Stochastic model specification search for time-varying parameter VARs**, *Eric Eisenstat, Joshua Chan and Rodney Strachan*
2. **Sector price responses in the rational inattention model over time**, *Vasja Sivec*
3. **Credit supply dynamics and economic activity in Euro area countries: A time-varying parameter VAR analysis**, *Martin Bijsterbosch and Matteo Falagiarda*
4. **Flexible shrinkage intensity in time-varying parameter models**, *Joscha Beckmann and Rainer Schüssler*

Managerial Finance (Room: Sala Sole A)

Chair: *Alkiviadis Karagiorgos*

1. **Sarbanes-Oxley act and value relevance of financial statements**, *Nikolaos Belesis, John Sorros and Alkiviadis Karagiorgos*
2. **An ABC literature review - An introduction and evaluation of the costing method**, *Alkiviadis Karagiorgos, John Sorros and Nikolaos Belesis*

3. [Balanced scorecard, a literature review and the toll's strength and weaknesses evaluation](#), *Maria Oikonomou, Alkiviadis Karagiorgos and John Sorros*

Inflation (Room: Sala Sole B)

Chair: *Angelo Melino*

1. [Asymmetric behaviour of inflation around the target in inflation - targeting emerging markets](#), *Kurmas Akdogan*
2. **A tale of two velocities**, *Steven Ambler*
3. [US inflation over 200 years: The performance of the Federal Reserve](#), *Stilianoos Fountas and Don Bredin*

Industrial Organization (Room: Sala Terra)

Chair: *Xavier Cuadras Moratò*

1. **Manufacturers mergers and product variety in vertically related markets**, *Joel Sandonis and Chrysovalantou Milliou*
2. **Multinational operations and corporate capital structure: An ownership perspective**, *Rui Zhanga and Xun Zhanga*
3. [Competition and innovation: An empirical investigation of the pharmaceutical sector in Netherlands](#), *Shreosi Sanyal and Mark Vancauteran*
4. [Internal Politics and Consumer Boycotts: The Case of Sparkling Wine in Spain](#), *Xavier Cuadras_Moratò*

Crime, Corruption, Privilege and Growth

(Room: Sala Energia)

Chair: *Athina Zervoyianni*

1. [The ruling bargain: Sovereign wealth funds in elite-dominated Societies](#), *Artur Grigoryana*
2. **The rationale of corrupt behaviour and its implications**, *Ndongmo Charles Kamtoh.*
3. **Economic growth and crime: Is there an asymmetric relationship?**, *Eleftherios Goulas and Athina Zervoyianni*

Economic Growth (Room: Sala Aria)

Chair: *Maurizio Mussoni*

1. **Growth of the benefit system in UK**, *Keshab Bhattarai*
2. **Less than exponential growth with non-constant discounting**, *Maria Pilar Martínez García and Guiomar Martín-Herrán*.
3. **Tourism led growth: Evidence from panel cointegration tests**, *Maurizio Mussoni, Thomas Panagiotou, Theodore Panagiotidis*

6:00-7:00 pm:

PLENARY SESSION (Room: Sala Energia)

“The Rimini Lecture in Economics and Finance”

Chair: *Angelo Melino*

Has the growth and convergence of developing economies been derailed?

Michael Spence

8:00-11:00 pm:

Conference Dinner

Grand Hotel Rimini

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Tuesday, June 10

8:00 - 8:45 am: Registration

8:45 - 10:15 am: SESSION 5

Bayesian Workshop: VARs (Room: Sala Acqua)

Chair: *Jani Luoto*

1. **Bayesian semiparametric vector autoregressive models**, *Maria Kalli*
2. **Forecasting with Bayesian vector autoregressions estimated using professional forecasts**, *Christoph Frey* and *Frieder Mokinski*
3. **Bayesian forecasting using reduced rank VARs**, *Shutong Ding* and *Sune Karlsson*
4. **Noncausal Bayesian vector autoregression**, *Jani Luoto* and *Markku Lanne*

Economic Development (Room: Sala Sole A)

Chair: *Davide Fiaschi*

1. **Alternative finance and firms' development in China**, *Noëmie Lisack*
2. **Impact of government spending on inflation in Asian emerging economies: Evidence from India, Vietnam, and Indonesia**, *Tai Dang Nguyen*
3. **The role of mortality in the transition from stagnation to growth**, *Tamara Fioroni* and *Davide Fiaschi*

Political Economy (Room: Sala Energia)

Chair: *Marco Savioli*

1. **Childhood roots of financial literacy**, *Antonia Grohmann*, *Roy Kouwenberg* and *Lukas Menkhoff*
2. **Strategic expressive voting and choosing the unwanted proposal**, *Snir, Avichai* and *Greenberg, Doron*
3. **Looking behind mortgage delinquencies**, *Sauro Mocetti* and *Eliana Viviano*

4. [Intellectual property rights and imitation in developing countries](#), *Marco Savioli*

Labour Economics II (Room: Sala Sole B)

Chair: *Andrea Mantovi*

1. [Marriage formation with assortative meeting as a two-sided optimal stopping problem](#), *Elena M. Parilini and Alessandro Tampieri*
2. [On luxury and equilibrium](#), *Andrea Mantovi*
3. [Product and labor market deregulation in an environment of informality and openness?](#), *Zsuzsa Munkacsi and Magnus Saxegaard*

10:15- 10:30 am: Coffee Break

10:30-12:00 am: SESSION 6

Bayesian Workshop: Policy and Empirical Applications (Room: Sala Acqua)

Chair: *Markus Jochmann*

1. [Economic policy uncertainty and the great recession](#), *Luca Benati*
2. [Asymmetric volatility spillovers between UK regional worker flows and vacancies](#), *Deborah Gefang and Geraint Johnes*
3. [Identifying monetary policy shocks via heteroskedasticity: a Bayesian approach](#), *Dmitry Kulikov and Aleksei Netsunajev*
4. **Common sources of instabilities in macroeconomic dynamics**, *Pooyan Amir-Ahmadi and Dalibor Stevanovic*

Econometrics (Room: Sala Sole A)

Chair: *Gabriele Fiorentini*

1. [Local deviations from uncovered interest parity: Kernel smoothing functions and the role of fundamentals](#), *Richard Baillie and Kun Ho Kim*

2. [Determinants of systemic risk](#), *Marcelo Bianconi*, Chih Ming Tan and Xiaxin Hua
3. **Control function approach to weak instruments**, *Nam-Hyun Kim*, *Winfried Pohlmaier* and Patrick Saart

Economic Development (Room: Sala Sole B)

Chair: *Elisa Cavatorta*

1. **Rain and impatience: Climatic factors and investment in the highlands of Ethiopia**, *Mintewab Bezabih*, *Salvatore Di Falco*, *Peter Berck* and *Gunnar Köhlin*
2. **The use of field experiments to assess the effect of time and risk preferences on the use of arsenic removal technologies in Bangladesh**, *Osiel Gonzales Davila*
3. [Preferences and exposure to shocks: Evidence from a natural experiment in Palestine](#), *Elisa Cavatorta* and *Ben Groom*

Macroeconomics (Room: Sala Terra)

Chair: *Vasja Sivec*

1. [Family firms and business cycles](#), *Zsuzsa Munkacsi*
2. [Sovereign debt issuance and selective default](#), *Wojtek Paczos* and *Kirill Shakhnov*
3. **Monetary, fiscal and oil shocks: Evidence based on mixed frequency structural FAVARs**, *Vasja Sivec* and *Massimiliano Marcellino*

Banking Between Asset and Liability

(Room: Sala Energia)

Chair: *Rocco Ciciretti*

1. [The Determinants of Bank Switching. Evidence from Italian Households](#), *Marianna Brunetti*, *Rocco Ciciretti* and *Ljubica Djordjevic*
2. **Is There a Cooperative Bank Difference?**, *Leonardo Becchetti*, *Rocco Ciciretti* and *Adriana Paolantonio*

3. **Credit Traps**, Alberto Zazzaro, Andrea Presbitero and Claudia Pigini

12:00am - 1:00pm:

PLENARY SESSION - Glunlab Workshop

(Room: Sala Energia)

“The Tapan Biswas Memorial Lecture”

Chair: Gianluigi Pelloni

Dilemmas of decentralized development

Pranab Bardhan

1:00 - 2:30 pm:

Lunch

2:30 - 4:00 pm:

SESSION 7

Bayesian Workshop Special Session II

(Room: Sala Acqua)

Chair: Gary Koop

1. **RCEA Keynote Speech**
Particle Methods in Econometrics
Robert Kohn
2. **Special Talk**
Implicit distributional assumptions
Dale Poirier

Banking (Room: Sala Sole A)

Chair: Walter Amedzro St-Hilaire

1. **The role of bank lending tightening on corporate bond issuance in the Eurozone**, Lulu Wang and Orkun Kaya
2. **Global banking on the financial network modelling: Sectoral analysis**, Fathin Faizah Binti Said
3. **Interconnectedness’ structural breaks relation between decision making and applied strategic agility on public Insurance & Bank markets’ internal policy**, Walter Amedzro St-Hilaire

Economic Development and the Environment

(Room: Sala Sole B)

Chair: *Thomas A. Alexopoulos*

1. [**Estimating the willingness to pay for environmental resources in the Chilean Patagonia**](#), *Juan-Pedro Garces-Voisenat and Zinnia Mukherjee*
2. **Natural disasters, mitigation investment and financial aid in developing countries**, *Rainer Andergassen and Luigi Sereno*
3. [**Economic Growth as a Proxy for Environmental Performance: Exploring the Informational Content of the Environmental Performance Index**](#), *Thomas A. Alexopoulos*

Growth and Trade (Room: Sala Aria)

Chair: *Alessandro Ferrari*

1. [**Trade under monopsonistic competition**](#), *Eric Toulemonde*.
2. [**Export-led growth in Australia: A regional examination**](#), *Athula Naranpanawa, Muhammad Shafiullah and Saroja Selvanathan*

Finance and Behaviour (Room: Sala Terra)

Chair: *Marianna Succurro*

1. [**Risk aversion over time: Experimental evidence**](#), *Sahra Sakha and Lukas Menkhoff*
2. [**The allocation of talent: Finance vs. entrepreneurship**](#), *Kirill Shakhnov*
3. [**On the relationship between finance and innovation in Italian manufacturing firms**](#), *Marianna Succurro and Giuseppina D. Constanzo*

Education and the Macroeconomy

(Room: Sala Energia)

Chair: *Gianlugi Pelloni*

1. **On the cyclicity of schooling decisions: Evidence from Canadian data**, *Diana Alesandrini*

2. [The importance of cognitive skills on growth revisited](#), Eddie Gerba and Emmanuel V. Pikoulakis
3. [The impact of immigrant peers on natives students' achievement: When parents of immigrants are relatively skilled](#), Kah Cheng Kelvin Seah

4:00 - 4:15 pm: Coffee Break

4:15 - 5:15 pm: PLENARY SESSION (Room: Sala Energia)

Chair: *Steven Ambler*

Rehypothection

David Andolfatto

5:15- 6:45 pm: SESSION 8

Bayesian Workshop: Theory and Methods

(Room: Sala Acqua)

Chair: *John M. Maheu*

1. [A novel identification approach to Bayesian factor analysis with sparse loadings matrices](#), Markus Pape
2. [Econometric inference theories and multiple use of the same data](#), Benjamin Holcblat and Steffen Gronneberg
3. **Bayesian inference for threshold cointegration models using sequential posterior simulation**, Markus Jochmann.
4. [The smooth colonel and the reverend find common ground](#), Nicholas Kiefer and Jeffrey Racine.

Micro Finance (Room: Sala Sole A)

Chair: *Constantina Kottaridi*

1. [Conditional Effects of Covenants on Loan Pricing](#), Lulu Wang
2. **Longevity and Life and life annuities funding in Algeria**, Farid Flici
3. [International players via networks: The case of SMEs](#), Constantina Kottaridi

Greek Financial Crisis (Room: Sala Sole B)

Chair: *Panagiotis Evagelopoulos*

1. **Greece's current account determinants before and after the outbreak of the global financial crisis. An empirical study**, *Platon Monokroussos*, and *Dimitrios Thomakos*
2. **Greek economic crisis n retrospect causes, consequences, perspectives**, *Panagiotis Evagelopoulos*
3. **Organized civil society in Greece and the economic crisis**, *Asterios Huliaras*
4. **Greek Fiscal Crisis and Recapitalisation and Restructuring of Banking Sector**, *Panagiotis Liargovas* and *Spyridon Repousis*

Open Economies (Room: Sala Terra)

Chair: *Mira Nurmakhanova*

1. **United in divergence productivity gaps, currency misalignments and current account imbalances in common currency area**, *Alessandro Ferrari*
2. **Motives and economic consequences of international remittances**, *Ademe Zeyende Hailu*
3. **Exchange rates and stock prices interaction: Case of Kazakhstan**, *Mira Nurmakhanova*

Business Economics (Room: Sala Energia)

Chair: *Ilkka Ylhainen*

1. **It is small, small world ... A guided tour of Belgian firms in GVCs**, *Emmanuel Dhyne*
2. **The Momtchil Dobrev's theory of the degree of trust - The new paradigm in the business, management and in economics**, *Dobrev Momtchil*, *Mariola Garibova* and *Georgi Komov*
3. **Life-cycle effects in small business finance**, *Ilkka Ylhainen*

Empirical Macroeconomics (Room: Sala Aria)

Chair: *Abhijit Sharma*

1. **Stochastic Keynesian Models for Macroeconomic Policies**, *Keshab Bhattarai*
2. **Are Sovereign Spreads an instructive factor for income inequality ? The paradigm of the Euro-zone periphery**, *Christos Tsenes*
3. **An analysis of real oil prices over a long time horizon (1861-2011)**, *Abhijit Sharma*

END of CONFERENCE

ABOUT RCEA

The Rimini Centre for Economic Analysis (RCEA) is a private, non-profit international organization dedicated to independent research in Applied Economics, Theoretical Economics and related fields. It is located in Rimini where some of the founding trustees and scholars have special ties.

The RCEA is the outcome of collaboration between Canadian economists, Italian economists and a group of eminent trustees from academia, banking, government and industry.

Research at the RCEA is conducted to enlighten scientific and public debate on economic issues, and not to advance any economic, political and social agenda.

The RCEA scholars are drawn from Canada, Italy and other countries, have experience in academia and/or government and may hold different points of view on economic, political and social issues.

The fundamental goal of RCEA is to further advanced research in Economics, Econometrics and related studies and promote contact between economists, econometricians and scientists from other fields all over the world. Through this activity the RCEA can contribute to the progress of highest quality scientific research and draw analyses and policy recommendations on the full range of economic and related issues.

The RCEA provides associate scholars, visiting scholars, and grant-assisted researchers with an environment conducive to scholarly work and the facilities required to carry out original research. At present the RCEA is composed of more than 100 permanent scholars engaged in research at the cutting edge of their areas of expertise.

The RCEA organizes seminars and workshops, sponsors a general interest journal The Review of Economic Analysis (REA), and organizes the conference "The Rimini Conference in Economics and Finance", RCEF, (formerly called "Small Open Economies in the Globalized World", SOEGW), a biennial event held every two years in Canada and Italy alternatively. Scientific work contributed by the RCEA Scholars is published in the RCEA's Working Papers and Professional Reports series.

The RCEA is sponsored, but not funded, by the Canadian Embassy in Rome. The activity of RCEA is funded by philanthropic private and public institutions which share RCEA's aim of fostering independent economic research and providing nonpartisan policy recommendations. The statute of RCEA guarantees the total independence of its researchers from external influences.



THE RIMINI CENTRE FOR ECONOMIC ANALYSIS

