



NETWERK ALGEMENE EN KWANTITATIEVE ECONOMIE

NETHERLANDS NETWORK OF ECONOMICS

**NAKE DAY 2003**

**Program**

October 24, 2003

Dutch Central Bank, Amsterdam



**NAKE DAY 2003**

# **Program**

**Dutch Central Bank**

**Amsterdam, October 24, 2003**

Netwerk Algemene en Kwantitatieve Economie  
*Netherlands Network of Economics*

*Program Committee*

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Arnoud Boot	(UvA)
Lans Bovenberg	(UvT)
Herman van Dijk	(EUR)
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Clemens Kool	(UU)
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## GENERAL INFORMATION

### *Location of conference*

The conference will be held at the Dutch Central Bank (DNB) in Amsterdam. A convenient way to get to DNB is by train. Elsewhere in this booklet (see p. 3) you will find instructions for getting to DNB as well as maps of the area.

Upon arrival at DNB, please use the **Entrance Oosteinde**. From there a security officer will guide you to the registration desk. Please be reminded that **you are required to present a photo ID** (driver's license or passport) at the entrance.

### *Registration*

At the registration desk you can pick up your conference badge, pay your registration fee (in cash), and obtain last minute information. The registration fee amounts to Euro 10 for members of the Royal Netherlands Economic Association (KVS) and Euro 25 for others.

### *Location of sessions*

Consult this program booklet for the exact location of each session.

The first letter of a room number refers to the following locations: H=main building, Z=South side, S=Annex and W=West side. Figures indicate floor numbers. For example, Rm Z1-76 stands for room 76 on the first floor on the south side of the building. Coffee/tea (during the morning break) and lunch will be served in the area in front of Rm Z1-76. Afternoon coffee/tea and drinks will be served at the restaurant, where the Tinbergen lecture will be held.

### *Organization of sessions*

Sessions are scheduled in blocks of 90 minutes and typically contain three papers (grouped by topic). Each speaker has 30 minutes, 20 minutes for the talk itself and 10 minutes for discussion.

***Session shopping***

The Chairs of the sessions have been advised to adhere to a strict timetable, allowing conference participants to switch between sessions. However, as there may be a considerable distance between the conference rooms, we advise you to switch as little as possible. Conference etiquette requires the speakers in a session to stick to their own session.

***Final presentations toward the NAKE Diploma***

A number of Ph.D. students will present their paper to fulfill part of the requirements of the NAKE Diploma. Discussants have been allocated to these presentations, which are marked with an asterisk (\*) in the program.

***Special contributed theme sessions***

Following previous years' tradition, a number of NAKE Fellows have been asked to organize a theme session dealing with a particular topic of general interest. These theme sessions are marked with

(☒) in the program. Anyone interested in organizing such a theme session next year is encouraged to contact the NAKE director ([j.ligthart@uvt.nl](mailto:j.ligthart@uvt.nl)).

***Last-minute changes***

Last-minute changes to the program are likely to occur. It is therefore recommended that you check out the notice board near the registration desk.

***Policy regarding session chairs***

All sessions are chaired, usually a NAKE Fellow acting as a discussant or the last speaker in the session. In the unfortunate event that your allocated chairperson has gone missing, please appoint the last speaker of your session as stand-in.

**Jenny Ligthart**  
**Director, NAKE**

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## GETTING TO THE NAKE DAY

The NAKE Day will be held at the Dutch Central Bank in Amsterdam.

To get to the Dutch Central Bank by **public transport** you have the following options (see Map B on Page 5):

From *Amsterdam-Central Station* or *Amsterdam-Amstel Station* you can take the metro to *Weesperplein*. Take the exit *Amstel/Sarphatistraat* and walk to DNB via the *Sarphatistraat* (just a 5 minute walk).

From *Amsterdam-Central Station* or *Amsterdam-RAI Station* you can take tram number 4 to *Frederiksplein*.

You will get pretty close to the conference site either way.

To get to the Dutch Central Bank by **car** follow the driving directions set out in the top panel of Map A on page 4. Note that visitor parking is not available at DNB.

Upon arrival at the Dutch Central Bank, please use the **Entrance Oosteinde**. Security officers will check your **picture identification** at the door and will guide you to the registration desk.

## Overview of the Program of the NAKE Day 2003

	Rm Z1-76	Rm S1-02	Rm S1-12	Rm S1-17	Rm S1 -23	Rm W1-357	Rm H11 -41	Rm H11-43
8.15–9.15	Registration and coffee/tea							
9.15–9.30	Opening Address ( <b>hall in front of room Z1-76</b> )							
9.30–11.00	<i>A1 Pensions and Ageing</i>	<i>A2 Macro- econometrics</i>	<i>A3 Dutch Economy</i>	<i>A4 Finance</i>	<i>A5 Trade Issues</i>	<i>A6 Competition I</i>	<i>A7 Agricultural Economics</i>	<i>A8 Transport and Household Mobility</i>
11.00–11.30	Coffee/tea ( <b>hall in front of room Z1-76</b> )							
11.30–13.00	<i>B1 Financial Economics</i>	<i>B2 Transport</i>	<i>B3 Economic Growth</i>	<i>B4 Labor Economics</i>	<i>B5 Social Interaction</i>	<i>B6 Financial Crises</i>	<i>B7 Quantitative Economics</i>	<i>B8 International Economics</i>
13.00–14.00	Lunch for participants ( <b>hall in front of room Z1-76</b> ) NAKE Annual Meeting of Members ( <b>13.30 in Room Z1- 76</b> )							
14.00–15.30	<i>C1 Auctions</i>	<i>C2 Financial Econometrics</i>	<i>C3 Technological Change</i>	<i>C4 Monetary Policy</i>	<i>C5 Competition II</i>	<i>C6 Unemployment</i>	<i>C7 Public Choice</i>	<i>C8 Environment</i>
15.30–16.00	Coffee/tea ( <b>restaurant</b> )							
16.00–17.40	Tinbergen Lecture ( <b>restaurant</b> )							
17.40–19.00	Drinks ( <b>restaurant</b> )							

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**PARALLEL SESSIONS A: 9.30-11.00**

(☒ = theme session; and (\*) = Final Presentation by NAKE student)

**A1. Pensions and Ageing ☒**

*Room: Z1-76*

*Chair: Lans Bovenberg*

**Arie Kapteyn, Jim Smith and Arthur van Soest**

“Measuring disability”

**Eduard Ponds**

“Pension funds and value-based generational accounting”

**Frank de Jong**

“Pension fund investments and the valuation of liabilities under conditional indexation”

**A2. Macroeconometrics ☒**

*Room: S1-02*

*Chair: André Lucas*

**Kai Ming Lee**

“Estimating stochastic models with multiple synchronized business cycles”

**Lennart Hoogerheide**

“Functional approximations to posterior densities: A neural network approach to efficient sampling”

**André Lucas**

“Business and default cycles for credit risk”

### **A3. Dutch Economy**

*Room: S1-12*

*Chair: Fieke van der Lecq*

#### **Judith Cornelisse-Vermaat**

“The demand for health: Differences between native Dutch and immigrants in the Netherlands”

**Nicole Jonker**, Jelena Jakulj and Marga Peeters

“Employment dynamics within small, medium and large establishments in the Netherlands at the end of the 1990s”

#### **Thijs Knaap**

“Ageing, nontradeable goods and the real value of pensions”

### **A4. Finance**

*Room: S1-17*

*Chair: Peter Boswijk*

#### **Christian Lazar**

“Stock options and risk-evidence from German DAX30 companies”

#### **Yiu Cheung**

“Trading European sovereign bonds: The microstructure of the MTS trading”

**Simon Polbennikov**, Bertrand Melenberg and Bas Werker

“Option pricing and the dynamics of implied prices of volatility risk:  
An empirical analysis”

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## **A5. Trade Issues**

*Room: S1-23*

*Chair: Albert de Vaal*

**Gert-Jan Linders**, Henri de Groot and Raymond Florax

“Systematic variation in the impact of distance on international trade patterns”

**Robert Mosch** and Frank den Butter

“Trade, trust and transaction costs”

**Albert de Vaal** and Joachim Stibora

“Trade policy in a Ricardian model with a continuum of goods under nonhomothetic preferences”

## **A6. Competition I**

*Room: W1-357*

*Chair: Jan Boone*

**Evguenia Motchenkova** (\*)

“Determination of optimal penalties for antitrust violation in dynamic settings”

*Discussant: Jan Boone*

**Sander Onderstal**, Florian Englmaier, Pablo Guillen, Loreto Llorente and Rupert Sausgruber

“The chopstick auction: A study of the exposure problem in multi-unit auctions”

**Jan Boone**

“Optimal competition: A benchmark for competition policy”

**A7. Agricultural Economics**

*Room: H11-41*

*Chair: Francisco André*

**Axel Tonini** (\*)

“Productivity growth in agriculture and intertemporal frontier separation for six CEECs and the EU-15 members”

*Discussant: Francisco André*

**Guan Zhengfei**, Alfons Oude Lansink, Ada Wossink and Ruud Huirne (\*)

“Damage control inputs: A comparison of conventional and organic farming systems”

*Discussant: Arie Oskam*

**Daan Ooms** (\*)

“Effects of dairy policy reform for Dutch dairy farming: A primal approach using GMM estimation”

*Discussant: Peter Kooreman*

**A8. Transport**

*Room: H11-43*

*Chair: Jan Rouwendal*

**Jose Carlos Melendez Hidalgo**

“Wider effects of transport infrastructure investment”

**Ghebreegziabihir Debrezion**

“The impact of railway stations on property value”

**Jan Rouwendal** and John Pommer

“The second car”

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**PARALLEL SESSIONS B: 11.30-13.00**

**B1. Financial Economics** ☒

*Room: Z1-76*

*Chair: Sylvester Eijffinger*

**Vasso Ioannidou**

“Does monetary policy affect the central bank’s role in bank supervision”

**Maria Demertzis** and Andre Hughes Hallet

“Three models of imperfect transparency in monetary policy”

**Sander Oosterloo** and Dirk Schoenmaker

“Financial supervision in an integrating Europe: Measuring cross-border externalities”

**B2. Transport** ☒

*Room: S1-02*

*Chair: Piet Rietveld*

**Eric Pels** and Erik Verhoef

“The economics of airport congestion pricing”

**Erik Verhoef**

“Speed-flow relations and cost functions for congested traffic: Theory and empirical analysis”

**Rong Zhang**

“A monopolistic market for advanced traveler information systems and road system efficiency”

**B3. Economic Growth**

*Room: S1-12*

*Chair: Elmer Sterken*

**Piotr Stryszowski**

“The effects of brain drain on economic growth”

**Ward Romp** and Ben Heijdra

“Growth effects of infrastructure: The role of tradeable goods”

**Paul Cavelaars**

“Has the tradeoff between productivity gains and job growth disappeared?”

**B4. Labor Economics**

*Room: S1-17*

*Chair: Pieter Gautier*

**Wendy Smits**

“Industry-specific or generic training? Conflicting interests of firms and workers”

**Jeroen van de Ven** and Anton Suvorov

“Rewards, self-confidence and motivation: The hidden rewards of rewards”

**Michèle Belot**, Erik Canton and Dinand Webbink

“Educational choices and student support: The case of the Netherlands”

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## **B5. Social Interaction**

*Room: S1-23*

*Chair: Marco Haan*

### **Bulat Sanditov**

“ICT revolution, globalization and informational lock-in”

**Marco van der Leij**, Sanjeev Goyal and Jose-Luis Moraga-Gonzalez

“Economics: An emerging small world?”

### **Andrea Galeotti**

“One-flow networks: The role of heterogeneity”

## **B6. Financial Crises**

*Room: W1-357*

*Chair: Gerard Kuper*

### **Ralph de Haas**

“Foreign banks and credit stability in Central and Eastern Europe: A panel data analysis”

**Lestano**, Jan Jacobs and Gerard Kuper (\*)

“Indicators of financial crises do work! An early-warning system for six Asian countries”

*Discussant: t.b.a.*

**Jan Kakes** and Cees Ullersma

“Indicators for financial crises”

**B7. Quantitative Economics**

*Room: H11-41*

*Chair: Pieter Ruys*

**Kirsten Rohde** and Jean-Jacques Herings

“Time-inconsistent preferences in general equilibrium”

**Roger Laeven**

“Notions for stochastic ordering in rank-dependent utility theory and cumulative prospect theory”

**Jan Rouwendal** and Arianne de Blaeij

“Inconsistent choices in stated preference analysis”

**B8. International Economics**

*Room: H11-43*

*Chair: Jos Jansen*

**Philip Marey**

“Small sample bias and expectational error in uncovered interest parity tests”

**Rainer Haselmann**

“The role of financial markets in the growth process of the Eastern European economies”

**Jos Jansen** and C.J. Stokman

“Foreign direct investment and international business cycle comovement”

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**PARALLEL SESSIONS C: 14.00-15.30****C1. Auctions** ☒*Room: Z1-76**Chair: Jean-Jaques Herings***Jacob Goeree**, Charles Plott and John Wooders

“Bidders’ choice auctions”

**Elena Grigorieva**, Jean-Jaques Herings, Rudolf Muller and

Dries Vermeulen

“The private value single item bisection auction”

**Markus Walzl**

“When bidding more is not enough: Auction with handicaps”

**C2. Financial Econometrics** ☒*Room: S1-02**Chair: Philip Franses***Ben Tims**

“A range-based multivariate model for exchange rate volatility”

**Albert Menkveld**

“Round-the-clock price discovery for cross-listed stocks: U.S.-Dutch evidence”

**Philip Franses**

“Forecasting jumps in conditional volatility: The GARCH-IE model”

### **C3. Technological Change**

*Room: S1-12*

*Chair: Eric Bartelsman*

**Arnaud Dupuy** and Philip Marey

“Shifts and twists in comparative advantage: Reconciling accelerated SBTC with the productivity slowdown”

**Robert Inklaar**, Robert McGuckin and Bart van Ark (\*)

“Common patterns, different trends ICT use and productivity in Europe and the United States”

*Discussant: Eric Bartelsman*

**Vincent Otto** (\*)

“Estimating feedback effects in technological change: A frontier approach”

*Discussant: Richard Nahuis*

### **C4. Monetary Policy**

*Room: S1-17*

*Chair: Marco Hoeberichts*

**Beata Bierut**

“The effects of learning in interactive monetary policy committees”

**Adam Elbourne** and Roelof Salomons

“Monetary transmission and equity markets in the European Union”

**Marco Hoeberichts**

“Central bank communication and interest rate rule”

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## **C5. Competition II**

*Room: S1-23*

*Chair: Sander Onderstal*

**Silvia Dominguez Martinez** and Otto Swank

“Does electoral competition create incentives for political parties to collect information about the pros and cons of alternative policies”

**Pim Heijen** (\*)

“Competition in the market for lobby services”

*Discussant: t.b.a.*

**Linda Toolsema-Veldman** and Marco Haan

“License auction when winning bids are financed through debt”

## **C6. Unemployment**

*Room: W1-357*

*Chair: Joan Muysken*

**Sebastian Buhai** (\*)

“On wage evolution and separation rates in a stochastic productivity framework”

*Discussant: t.b.a.*

**Riccardo Welters** (\*)

“Deadweight loss: In search of the culprit”

*Discussant: Pieter Gautier*

**Joan Muysken** and W. Mitchell

“The paradox of equilibrium unemployment: The Netherlands, 1960-2003”

**C7. Public Choice**

*Room: H11-41*

*Chair: Robert Dur*

**Lex Borghans** and Loek Groot

“Political knowledge, democratic representation and voter turnout”

**Marco Haan**

“Voluntary overcompliance”

**Klaas Beniers** and Robert Dur

“Politicians’ motivation and the quality of government decision making”

**C8. Environment**

*Room: H11-49*

*Chair: Herman Vollebergh*

**Paul Tang** and Richard Nahuis

“Environmental policy and differential tax treatment”

**Francisco André**

“Landfill construction and capacity expansion”

**Herman Vollebergh** and Rob Aalbers

“An economic analysis of mixing wastes”

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As last year, the NAKE Day will be combined with the Tinbergen Lecture organized by the Royal Netherlands Economic Association (KVS).

The Tinbergen lectures will be given by:

16.10 h     **Prof. dr. J.Tirole**  
              “Redesigning the Employment Protection System”

17.00 h     **Mr. dr. J.P. Balkenende**  
              “De maakbaarheid voorbij; versterking van de fundamente  
              van samenleving en economie”

(A summary in English will be distributed before the lecture)

**Where is Everybody?**

André .....	10-18	Inklaar .....	16
Bartelsman .....	16	Ioannidou .....	11
Belot.....	12	Jansen.....	14
Beniers.....	18	Jong, de .....	7
Bierut.....	16	Jonker.....	8
Boone.....	9	Kakes .....	13
Borghans .....	18	Kapteyn .....	7
Boswijk .....	8	Knaap.....	8
Bovenberg.....	7	Kooreman.....	10
Buhai .....	17	Kuper .....	13
Cavelaars .....	12	Laeven .....	14
Cheung.....	8	Lazar .....	8
Cornelisse-Vermaat.....	8	Lee .....	7
Debrezion .....	10	Lecq .....	8
Demertzis .....	11	Leij, van der .....	13
Dominguez Martinez.....	17	Lestano .....	13
Dupuy .....	16	Linders.....	9
Dur.....	18	Lucas.....	7
Eijffinger.....	11	Marey.....	14
Elbourne .....	16	Melendez-Hidalgo.....	10
Franses .....	15	Menkveld.....	15
Galeotti .....	13	Mosch .....	9
Gautier.....	12-17	Motchenkova.....	9
Goeree.....	15	Muysken .....	17
Grigorieva.....	15	Nahuis .....	16
Haan .....	13-18	Onderstal.....	9-17
Haas, de.....	13	Ooms .....	10
Haselmann .....	14	Oosterloo .....	11
Heijnen .....	17	Oskam.....	10
Herings .....	15	Otto.....	16
Hoerberichts .....	16	Pels .....	11
Hoogerheide.....	7	Polbennikov.....	8

Ponds.....	7
Rietveld.....	11
Rohde .....	14
Romp .....	12
Rouwendal.....	10-14
Ruys.....	14
Sanditov.....	13
Smits.....	12
Sterken .....	12
Stryzowski.....	12
Tang.....	18
Tims.....	15
Tonini .....	10
Toolsema-Veldman .....	17
Vaal, de .....	9
Ven, van de .....	12
Verhoef .....	11
Vollebergh .....	18
Walzl.....	15
Welters .....	17
Zhang.....	11
Zhengfei.....	10