



**NAKE Day 1998**

# Programme

23 October 1998  
University of Amsterdam

# Netwerk Algemene en Kwantitatieve Economie

*Netherlands Network of Economics*

## Programme Committee

Arnoud Boot (UvA)

Lans Bovenberg (KUB)

Eric van Damme (KUB)

Herman van Dijk (EUR)

Kees Koedijk (UM)

Peter Kooreman (RUG)

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# General Information

## **Location of conference:**

The conference will take place at the University of Amsterdam, Roetersstraat 11. The best way to get to the University of Amsterdam is by train (Station Amsterdam Amstel). By taking the underground to the Weesperplein (two stops) you will get close to the conference site. On page 3 of this booklet you find various other recipes to get to the NAKE Day.

## **Registration:**

Pick up your conference badge in the Foyer of Building E. A map of the University campus is found below. If you have not yet paid your *f* 50,- registration fee, please do so at the time of registration.

## **Location of sessions:**

Consult this programme booklet for the exact location of each session. The plenary sessions (excepting one), drinks and lunch all take place in Building E. The NAKE Lecture by Eric van Damme is held in Building A. An index of all NAKE Day participants is found in the back of this booklet.

## **Organization of sessions**

Each speaker has 30 minutes in total to sell the audience on his/her ideas. The speaker must include time for the discussant(s) and

(if possible) for plenary discussion. The initial presentation should take no longer than 20 minutes. Each discussant should spend no more than 5 minutes and only highlight the main comments.

## **Session shopping**

The Chairpersons have been advised to adhere to a strict time table and to keep the presentations in the order in which they appear in the programme. This allows conference participants to swap between sessions. Conference etiquette, however, requires the speakers in a session to stick to their own session.

## **Final presentations towards the NAKE Diploma**

A number of participants will present a paper in partial fulfilment of the requirements of the NAKE Diploma. These so-called 'final presentations' have been starred (\*) in the programme and discussants have been allocated to these presentations.

## **Special contributed theme sessions**

Following a constructive suggestion that was made at last year's NAKE Day, we have asked a number of people to organize special sessions dealing with a particular theme. Lans Bovenberg, Jan Kiviet, Gerard van der Laan, and Casper de Vries have responded

to our call and have each organised such a session. These theme sessions have been marked with (✳) in the programme. Anyone interested in organising such a theme session next year should contact the organizing committee.

**Policy regarding chairpersons**

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

**Last-minute changes**

There may be some last-minute changes in the programme. You are therefore urged to consult the programme on the NAKE Homepage to get the most up-to-date information.

**Ben Heijdra**  
**Director, NAKE**

## **Getting to the NAKE Day**

[Click here to get the information](#)

## Overview of the programme

	Room E-004	Room E-003	Room E-007	Room E-020	Room E-010	Room E-008	Room E-117	Room G-003
9.00-9.15	Welcome and coffee / tea in the Main Hall of the E Building							
9.15-9.20	Opening of the NAKE Day in Room E-020							
9.30-11.00	<i>Institutional economics, I</i>	<i>Monetary economics, I</i>	<i>Growth, I</i>	<i>Econometrics, I</i>	<i>Regulation</i>	<i>Labour economics</i>	<i>Game theory, I</i>	
11.00-11.30	Coffee / tea in the Main Hall of the E Building							
11.30-12.30	<i>Institutional economics, II</i>	<i>Monetary economics, II</i>	<i>Growth, II</i>	<i>Macroeconomics</i>	<i>Environmental economics, I</i>	<i>Risk</i>	<i>Game theory, II</i>	<i>Extra session</i>
12.30-13.30	Lunch for participants in the Main Hall of the E Building / NAKE Annual Meeting of Members at 13.00 in Room E-020							
13.30-15.00	<i>Institutional economics, III</i>	<i>Monetary economics, III</i>	<i>Labour markets</i>	<i>Wages</i>	<i>Environmental economics, II</i>	<i>Applied economics</i>	<i>Game theory, III</i>	<i>Econometrics, II</i>
15.00-15.30	Coffee / tea in the Main Hall of the E Building							
15.30-16.30	<i>Transition economies</i>	<i>Monetary economics, IV</i>	<i>Imperfect competition</i>	<i>Mathematical economics</i>	<i>Environmental economics, III</i>	<i>Development economics</i>	<i>Game theory, IV</i>	
16.45-17.45	NAKE Lecture: Eric van Damme, 'Challenges (to microeconomists)' in Lecture Theatre C in the A Building							
17.45-19.00	Drinks in Agora pub <i>De Krater</i>							

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## Parallel Sessions: 9.30 - 11.00

### **Institutional economics, I**

*Room E-004*

**Chair:** Marco Haan

**Eline van der Heijden**

“A cross-country study of reciprocity, trust and altruism in a gift exchange experiment”

**Bjørn Volkerink\***

“Political and institutional determinants of the tax mix: An empirical investigation for OECD countries”

*Discussant:* Marco Haan (representing Harry Garretsen)

**Ronald Bosman**

“Emotions in a power to tax game experiment”

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### **Monetary economics, I**

*Room E-003*

**Chair:** Jan Kakes

**Philipp Maier**

“Pressure on the Bundesbank?”

**Jan J.J. Groen**

“The monetary exchange rate model as a long-run phenomenon”

**Jan Kakes**

“Monetary transmission and bank lending in the Netherlands”

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## **Growth, I**

*Room E-007*

**Chair:** Bart Verspagen

**Paul de Boer**

“Estimating structural TFP growth as a latent variable”

**Marieke Rensman\***

“Do technology spillovers matter for growth?”

*Discussant:* Bart Verspagen

**Richard Nahuis**

“The dynamics of a general purpose technology in a research and assimilation model”

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## **Econometrics, I ☼**

*Room E-020*

**Chair:** Jan Kiviet

**Theme:** Simple problems, complicated answers

**Herman van Dijk**

“The permanent income hypothesis revisited”

**Jan Magnus**

“Estimation of the mean of a univariate normal distribution with known variance”

**Mars Cramer**

“Large samples, little information”

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## **Regulation**

*Room E-010*

**Chair:** Cees Withagen

**Youdi Schipper**

“Deregulation and welfare in airline markets: An analysis of frequency equilibria”

**Mirjam Koster\***

“Monopolistic supply and countervailing power in the electricity sector”

*Discussant:* Cees Withagen

**Paul de Bijl**

“Competition and regulation in telecommunications”

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## **Labour economics**

*Room E-008*

**Chair:** Maarten Lindeboom

**Bas van der Klaauw\***

“Punitive sanctions and the transition form welfare”

*Discussant:* Maarten Lindeboom

**Aico van Vuuren**

“Job search and non-monetary costs of moving to a new residence”

**Louise Grogan**

“Occupational choice and the gender wage gap: The case of the UK”

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**Game theory, I ✪**

*Room E-117*

**Chair:** Gerard van der Laan

**Harold Houba**

“Counter-intuitive results in a simple model of wage negotiations”

**Xander Tieman**

“A note on varying mutation rates in 2 x 2 coordination games”

**Jan Tuinstra**

“Evolutionary selection of behavioral rules in a Cournot model: A local bifurcation analysis”

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## Parallel Sessions: 11.30 - 12.30

### **Institutional economics, II**

*Room E-004*

**Chair:** Pieter van Oijen

**A.J. Kanning**

“Principles of European Contract Law: The road to unity of contract law within the European Union?”

**Pieter van Oijen**

“Ownership structure, shareholder control rights and board turnover in the Netherlands”

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### **Monetary economics, II**

*Room E-003*

**Chair:** Franc Klaassen

**Lúcio Vinhas de Souza**

“The periphery of the EMU: The current and prospective EU countries outside the EURO zone: A preliminary survey”

**Franc Klaassen**

“Purchasing power parity: Evidence from a new test”

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### **Growth, II**

*Room E-007*

**Chair:** Jacob de Haan

**Victoria Shestalova\***

“A general equilibrium analysis of international TFP growth rates”

*Discussant:* Jacob de Haan

**Lex Meijdam**

“Taxes, growth and welfare in an endogenous growth model with overlapping generations”

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## **Macroeconomics**

*Room E-020*

**Chair:** Steven Brakman

**Alex Lammertsma**

“The inflation-unemployment trade-off: A survey”

**Dennis Botman\***

“Coordination of speculation”

*Discussant:* Steven Brakman

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## **Environmental economics, I**

*Room E-010*

**Chair:** Aart de Zeeuw

**Erik Schmieman\***

“Joint abatement strategies: A dynamic analysis of acidification and tropospheric ozone”

*Discussants:* Sjak Smulders, Aart de Zeeuw

**Vincent Linderhof**

“Weight-based pricing in the collection of household waste: The Oostzaan case”

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## **Risk**

*Room E-008*

**Chair:** Bas Donkers

**Gaston C.M. Siegelaer**

“How to structure and allocate active risk?”

**Bas Donkers**

“Estimating risk attitudes using lotteries: A large sample approach”

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**Game theory, II**

*Room E-117*

**Chair:** Jean-Jacques Herings

**Maarten-Pieter Schinkel\***

“Price stability in a model with incomplete information and rational learning: A general result and a simple example”

*Discussant:* Jean-Jacques Herings

**Dave Furth**

“Dynamic duopoly: The case of simultaneous moves”

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**Extra session**

*Room G-003*

**Chair:** Joan Muysken

**Pieter Gautier**

“Worker turnover at the firm level and crowding out of lower educated workers”

**Jan Boone**

“Competitive pressure, selection and investments in development and fundamental research”

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## Parallel Sessions: 13.30 - 15.00

### **Institutional economics, III**

*Room E-004*

**Chair:** Bert Schoonbeek

**Marco Haan**

“Free riding and the provision of candy bars”

**Theo Leers**

“Migration patterns when intergenerational redistribution is determined endogenously”

**Bert Schoonbeek**

“The welfare loss from interdependent preferences”

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### **Monetary economics, III ✿**

*Room E-003*

**Chair:** Casper de Vries

**Ivo Arnold**

“The third leg of the stool: Financial stability as a prerequisite for EMU”

**Harald Bennink**

“The future of banking regulation in developed countries: Lessons from and for Europe”

**Jaap Bikker**

“Competition and concentration in the EU banking industry”

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## **Labour markets**

*Room E-007*

**Chair:** Peter Broer

**Joan Muysken**

“Overeducation and crowding out of low-skilled workers”

**Philip Marey**

“Adjustment processes on the labour market: A random coefficient approach”

**Peter Broer**

“Complementarity, the skill premium, and returns to scale”

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## **Wages**

*Room E-020*

**Chair:** Coen Teulings

**Robert Dur**

“Wage-setting institutions, unemployment, and the demand for redistribution policy”

**Coen Teulings**

“The structure of substitution and complementarity in a model of comparative advantage”

**Ralph Olthoff**

“On wage gaps, labour contracts and surplus sharing”

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**Environmental economics, II** ✪

*Room E-010*

**Chair:** Lans Bovenberg  
**Theme:** Environmental tax reform

**Sjak Smulders**

“The double dividend hypothesis and trade liberalization”  
*Discussant:* Ruud de Mooij

**Ruud de Mooij**

“Environmental tax reform and labor-market imperfections”  
*Discussant:* Rien Komen

**Gilbert van Hagen**

“Environmental cost benefit analysis in a second-best world with heterogeneous households”  
*Discussant:* Michiel Keyzer

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**Applied economics**

*Room E-008*

**Chair:** Jan Rouwendal

**Erik Canton**

“A model for the Dutch pharmaceutical market”

**Leon Bettendorf**

“Competition on the Dutch coffee market”

**Jan Rouwendal**

“Spatial job search and commuting distances”

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## Game theory, III

*Room E-117*

**Chair:** Lars Ehlers

**Alex Possajennikov**

“Mergers and coordination in Cournot oligopoly”

**Maria Pilar Montero Garcia\***

“A bargaining game with coalition formation”

*Discussant:* Harold Houba

**Lars Ehlers**

“Probabilistic collective decision schemes”

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## Econometrics, II

*Room G-003*

**Chair:** Ruud Koning

**Richard Paap**

“Censored latent effects autoregression with an application to US unemployment”

**Xiadong Gong\***

“No sexual bias in households; consumption? A semiparametric analysis of Engel curves in rural China”

*Discussant:* Ruud Koning

**Aart de Vos**

“Fair and predictive Bayes factors for comparison of regression models”

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## Parallel Sessions: 15.30 - 16.30

### **Transition economies**

*Room E-004*

**Chair:** Jan Potters

**Luc Moers\***

“Growth empirics with institutional measures and the transition countries”

*Discussant:* Jan Potters

**Jan Fidrmuc**

“Stochastic economic shocks and incentives for (dis) integration”

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### **Monetary economics, IV**

*Room E-003*

**Chair:** Peter Boswijk

**Robert-Paul Berben\***

“Nonlinear adjustment to purchasing power parity: Evidence on the effects of transaction costs?”

*Discussants:* Frank de Jong, Peter Boswijk

**Nico Valckx**

“The information content of interest rate and stock market volatility for predicting business cycles in profit models”

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## **Imperfect competition**

*Room E-007*

**Chair:** Steven Brakman

**Lia van Weesenbeeck\***

“How to deal with imperfect competition?”

*Discussants:* Steven Brakman, Ben Heijdra

**Thijs Knaap**

“Generalizations in a model of economic geography”

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## **Mathematical economics**

*Room E-020*

**Chair:** Pieter Ruys

**Jean-Jacques Herings**

“Continua of underemployment equilibria”

**Pieter Ruys**

“Positional abilities and rents on equilibrium wages”

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## **Environmental economics, III**

*Room E-010*

**Chair:** Lex Meijdam

**Albert van der Horst\***

“Taxing energy to improve the environment”

*Discussants:* Peter Broer, Lex Meijdam

**Rien Komen**

“Multiple environmental policy goals: National economic costs and interaction of policies”

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**Development economics**

*Room E-008*

**Chair:** Michiel Keyzer

**Hans Hoogeveen\***

“The puzzle of the absent rural financial markets”

*Discussant:* Michiel Keyzer

**Wietze Lise**

“Estimating a game theoretic model of people’s participation in forest management”

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**Game theory, IV**

*Room E-117*

**Chair:** Dave Furth

**Edward Droste\***

“Regret equilibria in games”

*Discussants:* Gerard van der Laan, Dave Furth

**Xander Tieman**

“Cooperation in a multi-dimensional local interaction model”

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## Where is everybody?

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