



NAKE Day 1999

Programme

22 October 1999
Erasmus University Rotterdam

Netwerk Algemene en Kwantitatieve Economie

Netherlands Network of Economics

Programme Committee

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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 Erasmus University of Rotterdam, Burgemeester Oudlaan 50. The best way to get to the Erasmus University is by train (Rotterdam Central Station or Rotterdam Alexander). From Rotterdam CS you take the tram line 7 (direction Woudestein). From Rotterdam Alexander it is best to take the metro to the Kralingse Zoom and walk the rest. You will get pretty close to the conference site either way. Elsewhere in this booklet you find various other recipes to get to the NAKE Day.

Registration:

Pick up your conference badge in the main hall of Building L (we'll be near room LB-067). A map of the University campus is found below. If you have not yet paid your f 50,- registration fee you will receive an 'accept giro' from us in due course.

Location of sessions:

Consult this programme booklet for the exact location of each session. The plenary sessions will take place in Buildings "L" and "G". Lunch will be in Restaurant *De Carrousel*, and drinks will be in the L building in front of room LB-67. The NAKE Lecture by Lans Bovenberg is held in room LB-67 in Building "L". 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

As we did last year, we have asked a number of people to organize special sessions dealing with a particular theme. Peter Broer has responded to our call and has organised such a session on the economics of ageing. This theme session has been marked with (✳) in the programme. Anyone interested in organising such a theme session next year should contact the new director (a.c.meijdam@kub.nl).

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

The NAKE Day takes place at the Woudestein complex of the Erasmus University, mainly in building L (see map of campus). To get there by public transport you have the following options:

From Rotterdam Central Station

Take tram 7, in the direction of Burg. Oudlaan. (The trams depart from the main, City centre, exit of the station station). In case there is a real long wait, you could also take tram 3 or 9, but these result in a longer walk or a longer ride. By metro, you have to go in the direction of Spijkenisse. Change metro at Beurs, to go in the direction of Capelsebrug, Ommoord or Zevenkamp. Get out at Kralingsezoom, walk outside and look for the tall (=H) Erasmus building. Using the strippenkaart, this is all within one zone of the transportation regions.

From Rotterdam Alexander train station

Take the metro in the direction of the Marconiplein; get out at Kralingsezoom, walk outside and look for the tall (=H) Erasmus building (one zone).

From Rotterdam Blaak train station

Take the metro in the direction of Capelle, Ommoord or Zevenkamp; get out at Kralingsezoom, walk outside and look for the tall (=H) Erasmus building (one zone).

[Click here for a map of the Woudestein campus](#)

[Click here for a map of the Rotterdam public transport system](#)

Overview of the programme

	Room L1-110	Room LB-062	Room LB-070	Room LB-074	Room LB-078	Room G2-38 Note: G building	Room G3-35 Note: G building
9.00-9.15	Welcome and coffee / tea in the Main Hall of the L Building (in front of room LB-067)						
9.15-9.20	Opening of the NAKE Day in Room LB-067						
9.30-11.00	<i>Applied macro-economics</i>	<i>Ageing</i> ☼	Environmental economics	<i>Technical change & labour markets</i>	<i>Finance</i>	<i>Human capital</i>	
11.00-11.30	Coffee / tea in the Main Hall of the L Building (in front of room LB-067)						
11.30-12.30	<i>Panel data</i>	<i>Economic geography</i>	<i>Time series econometrics</i>	<i>Agricultural economics</i>	<i>Signalling and habits</i>	<i>Labour economics</i>	
12.30-13.30	Lunch for participants in Restaurant <i>De Carrousel</i> / NAKE Annual Meeting of Members at 13.15 in Room LB-067						
13.30-15.00	<i>EMU</i>	<i>Applied macroeconomics</i>	<i>Spatial economics</i>	<i>Industrial organisation</i>	<i>Monetary economics</i>	<i>Labour economics</i>	<i>Political economy</i>
15.00-15.30	Coffee / tea in the Main Hall of the L Building (in front of room LB-067)						
15.30-16.30	<i>Political economy</i>	<i>Research and development</i>	<i>Time series econometrics</i>	<i>Game theory</i>	<i>Finance</i>	<i>Labour economics</i>	
16.45-17.45	<p style="text-align: center;"><i>NAKE Lecture:</i></p> <p style="text-align: center;">Lans Bovenberg</p> <p style="text-align: center;">‘On the cutting edge between policy and academia: Challenges for (public) economists’ in room LB-067 in the L Building</p>						
17.45-19.00	Drinks in the Main Hall of the L Building (in front of room LB-067)						

Parallel Sessions: 9.30 - 11.00

Applied macroeconomics

Room L1-110

Chair: Jeroen Hinloopen

Jan Fidrmuc and Jarko Fidrmuc

“Integration, disintegration and trade flows in Europe: Borders do matter”

Jeroen Hinloopen and Charles van Marrewijk

“On the empirical distribution of the Balassa index”

Niek J. Nahuis

“An alternative demand indicator: The Non-Accelerating Inflation Rate of Capacity Utilisation”

Ageing ✨

Room LB-062

Chair: D. Peter Broer

A. Lans Bovenberg and **Harry ter Rele**

“Generational accounts for the Netherlands: An update”

Theo Leers, Lex Meijdam, and Harrie Verbon

“Asymmetric demographic shocks and migration when public pensions are endogenous”

D. Peter Broer

“Social security in an ageing society: An applied general equilibrium analysis”

Environmental economics

Room LB-070

Chair: Ben Heijdra

Jardena Gil* and Henk Folmer

“International environmental problems and the European Union”

Discussant: Ruud de Mooij

Petra Hellegers*

“New options for groundwater allocation in Dutch agriculture”

Discussant: Arie Oskam / Cees Withagen

A. Lans Bovenberg and **Ben J. Heijdra**

“Environmental abatement and intergenerational distribution”

Technical change and labour markets

Room LB-074

Chair: Pieter Gautier

Richard Nahuis and Sjak Smulders

“The rising skill premium, technological change and appropriability”

Joan Muysken, **Mark Sanders** and Adriaan van Zon

“Wage divergence and asymmetries in unemployment in a model with biased technical change”

Pieter A. Gautier

“Unemployment and search externalities in a model with heterogeneous jobs and heterogeneous workers”

Finance

Room LB-078

Chair: Cars Hommes

Maarten van Ravenswaaij*

“Aggressive orders and limit order book behaviour on the Paris Bourse”

Discussant: Elmer Sterken

Nico Valckx

“The information value of stock returns and interest rates for unexpected inflation”

Andrea Gaunersdorfer and **Cars H. Hommes**

“A nonlinear structural model for volatility clustering”

Human capital

Room G2-38 (G Building!)

Chair: Joan Muysken

Mark Schonewille

“Human capital and labour productivity”

Joan Muysken and Geralt Nekkers

“Skilled-unskilled wage differentials, unemployment and hours of work: The case of America and Europe”

Parallel Sessions: 11.30 - 12.30

Panel data

Room L1-110

Chair: Marno Verbeek

Koos Gardebroek* and Alfons Oude Lansink

“Estimating systems of equations with unbalanced panel data: The Hausman-Taylor approach”

Discussant: Marno Verbeek

Zsolt Sandór*

“Methods for estimating demand for differentiated products: The case for the automobile market”

Discussant: ?????

Economic geography

Room LB-062

Chair: Steven Brakman

Jolanda Peeters*

“Globalisation and unemployment: An economic geography perspective”

Discussant: Steven Brakman

Thijs Knaap*

“Generalizations in a model of economic geography”

Discussant: Sjak Smulders

Time series econometrics

Room LB-070

Chair: Marius Ooms

Charles S. Bos, Ronald J. Mahieu, and Herman K. van Dijk
“Daily exchange rate behaviour and hedging of currency risk”

Björn de Groot, Siem Jan Koopman and **Marius Ooms**
“Time-series modeling of daily tax revenues”

Agricultural economics

Room LB-074

Chair: Arie Oskam

Maria Nijnik*
“Economics of carbon sequestration by afforestation of waste and marginal agricultural lands of the Ukraine”
Discussant: ?????

Tassew Woldehanna and **Arie Oskam**
“Are farmers completely rational consumers and do they suffer from a borrowing constraint?: The Dutch case”

Signalling & habits

Room LB-078

Chair: Peter Kooreman

Maarten C.M. Vendrik
“Bandwagon and habit effects on female labor force participation”

Peter Kooreman
“Veblen effects when licence plates signal car age”

Labour economics

Room G2-38 (G building!)

Chair: Coen Teulings

Ronald Dekker

“Unemployment duration after temporary jobs: Evidence for the UK”

Aico van Vuuren*

“Measuring the equilibrium effect of unemployment benefits dispersion”

Discussant: Coen Teulings

Parallel Sessions: 13.30 - 15.00

EMU

Room L1-110

Chair: Eelke de Jong

Robert Paul Berben and **Eelke de Jong**

“The euro/dollar exchange rate: The consequences of euro’s role as a vehicle currency”

Lucio Vinhas de Souza*

“EMU and enlargement: Current strategies of exchange rate linkages”

Discussant: Eelke de Jong

Gerrit van den Dool

“The budget balance in the medium term and the Hodrick-Prescott filter”

Applied macroeconomics

Room LB-062

Chair: Gerard Kuper

Albert van der Horst

“The dynamics of public investment: A theoretical and empirical investigation”

W. Jos Jansen

“What do capital inflows do? The case of Thailand, 1980-96”

Gerard H. Kuper and Daan P. van Soest

“Asymmetric adaptations to energy price changes”

Spatial economics

Room LB-070

Chair: Jan Rouwendal

Arno van der Vlist*

“Patterns of new household formation and residential career”

Discussant: Peter Kooreman

Thomas Cool

“An estimator for the road freight handling factor”

Jan Rouwendal, Erik Verhoef, Piet Rietveld, and Bert Zwart

“Congestion caused by speed differences”

Industrial organisation

Room LB-074

Chair: Dave Furth

Emiel Maasland*

“Auctioning universal service subsidies”

Discussant: Dave Furth

Jan Boone

“Measuring product market competition”

Vladimir A. Bulavsky and **Vyacheslav V. Kalashnikov**

“Equilibrium in generalized Cournot and Stackelberg models”

Monetary economics

Room LB-078

Chair: Elmer Sterken

Hong Bo* and Elmer Sterken

“Volatility of the interest rate, debt and firm investment: Dutch evidence”

Discussant: ????

Allard Bruinshoofd

“Asymmetric information, agency costs and the demand for corporate liquidity in the Netherlands”

Robert Lensink and **Elmer Sterken**

“The option to wait to invest and equilibrium credit rationing”

Labour economics

Room G2-38 (G building!)

Chair: Peter Broer

Rudy C.M.H. Douven

“Equilibrium rates and wage flexibility in Europe”

Lourens Broersma, Frank A.G. den Butter and **Udo Kock***

“Wage formation and the flow approach: An empirical analysis for the Netherlands”

Discussant: Jan van Ours

Gerard J. van den Berg, **A. Gijsbert C. van Lomwel***, Jan C. van Ours

“Individual variation in exit rates from unemployment: A nonparametric multivariate analysis using aggregate data”

Discussant: Peter Broer

Political economy

Room G3-35 (G building!)

Chair: Elbert Dijkgraaf

Joulia Ossokina and Herman Vollebergh

“The tax treatment of interest expenditures of multinational enterprises”

Robert A.J. Dur

“Why do policy makers stick to inefficient decisions?”

Herman Vollebergh and **Elbert Dijkgraaf**

“Kuznets revisited: Time-series versus panel estimation: The CO₂ case”

Parallel Sessions: 15.30 - 16.30

Political economy

L1-110

Chair: Jan-Egbert Sturm

Huigh van der Mandele

“Economic apoptosis: Consequences of the scientific work of the biologist Wyllie and the mathematician Markov for the debate ‘markets versus government’”

Jan-Egbert Sturm and Jakob de Haan

“How robust is the relationship between economic freedom and economic growth?”

Research & development

Room LB-062

Chair: Sjak Smulders

Theo van de Klundert and **Sjak Smulders**

“Loss of technological leadership of rentier economies: A two-country endogenous growth model”

Harald Creusen and Bert Minne

“Falling R&D in oil companies: A study on R&D and investment in fixed assets in the oil industry”

Time series econometrics

Room LB-070

Chair: Philip Hans Franses

W. Erno Kuiper and Matthew T.G. Meulenberg

“Vertical price leadership within a channel: A co-integration study”

Fergus Bolger, **Philip Hans Franses**, and Gerrit Antonides

“Does the Index of Consumer Sentiment only measure expectations? An empirical assessment for the Netherlands”

Game theory

Room LB-074

Chair: Lambert Schoonbeek

Oddvar M. Kaarbøe and **Alexander F. Tieman**

“Equilibrium selection under different learning modes in supermodular games”

Lambert Schoonbeek and Peter Kooreman

“The impact of advertising in a duopoly model”

Finance

Room LB-078

Chair: Herman van Dijk

Philip S. Marey

“Chartists and fundamentalists: Evidence from an artificial foreign exchange market”

Jana Fidrmucova

“The channels of restructuring in privatized Czech companies”

Labour economics

Room G2-38 (G building!)

Chair: Wolter Hassink

Geralt Nekkers

“A regional insider-outsider model with cooperation and harassment”

Wolter Hassink and Marc Pomp

“Shortages and the wages of teachers at dutch secondary schools: An empirical investigation”

Where is everybody?

Bo	15	Mooij, de	8
Boone	14	Muysken	9
Bos	11	Nahuis, N.	7
Brakman	10	Nahuis, R.	8
Broer	7, 15	Nekkers	18
Bruinshoofd	15	Nijnik	11
Cool	14	Ooms	11
Creusen	17	Oskam	8, 11
Dekker	12	Ossokina	16
Dijk, van	18	Ours, van	15
Dijkgraaf	16	Peeters	10
Dool, van den	13	Ravenswaaij, van	9
Douven	15	Rele, ter	7
Dur	16	Rouwental	14
Fidrmuc	7	Sanders	8
Fidrmucova	18	Sandór	10
Franses	17	Schonewille	9
Furth	14	Schoonbeek	18
Gardebroek	10	Smulders	10, 17
Gautier	8	Sterken	15
Gil	8	Sturm	17
Hassink	18	Teulings	12
Heijdra	8	Tieman	18
Hellegers	8	Valckx	9
Hinlopen	7	Vendrik	11
Hommes	9	Verbeek	10
Horst, van der	13	Vinhas de Souza	13
Jansen	13	Vlist, van der	14
Jong, de	13	Vuuren, van	12
Kalashnikov	14	Withagen	8
Knaap	10		
Kock	15		
Kooreman	11, 14		
Kuiper	17		
Kuper	13		
Leers	7		
Lomwel, van	15		
Maasland	14		
Mandele, van der	17		
Marey	18		