

**10th International Conference Developments in  
Economic Theory and Policy  
Bilbao, June 27-28, 2013**

**PRESENTATION**

The Department of Applied Economics V of the University of the Basque Country (Spain) and the Cambridge Centre for Economic and Public Policy, Department of Land Economy of the University of Cambridge (United Kingdom) are organizing the 9th International Conference Developments in Economic Theory and Policy. The Conference is held in Bilbao (Spain) from the 27th to the 28th June 2013, at the Faculty of Economics and Business of the University of the Basque Country.

## **CONFERENCE COMMITTEES**

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Felipe Serrano (University of the Basque Country UPV/EHU)

Ikerne del Valle (University of the Basque Country UPV/EHU)

# CONFERENCE PROGRAM

## THURSDAY 27

### 8.45 – 10.10 Parallel Sessions

#### **Fiscal policy I (Chair: Rui Henrique Alves, Universidade do Porto; Room: Salón de Grados)**

- John McCombie and Nigel F. B. Allington (University of Cambridge): Fiscal rules in the wake of the subprime crisis
- Vladimir Glonti (Shota Rustaveli State University): Method of an estimation of the regional budgetary process
- Casimir Dadak (Hollins University) and Roman Matkovskyy (North-West University): Fiscal federalism: European Union vs. United States, a comparative analysis

#### **Economics of innovation (Chair: Ana González, University of the Basque Country UPV/EHU; Room B.01)**

- Harry Kitsikopoulos (New York University): The diffusion of Newcomen engines, 1700-70: a revisionist assessment
- Valéria Delgado Bastos (Brazilian Development Bank BNDES): From supply-oriented to demand-led innovation policies as Keynesian effective demand policies
- Celeste Varum (GOVCOPP, DEGEI, University of Aveiro), Miguel Viegas (GOVCOPP, DEGEI, University of Aveiro), Silvia Português (University of Aveiro): Public support to private R&D: an efficiency analysis on OCDE countries

#### **Graduate Students Session I (Chair: Felipe Serrano, University of the Basque Country UPV/EHU; Room B.02)**

- Karolina Goraus (University of Warsaw): Gender wage gap in Poland – Can it be explained by differences in observable characteristics?
- Irantzu Hierro and Jesús Ferreiro (University of the Basque Country): Structure of collective bargaining and wage growth

#### **Microeconomics (Chair: Ikerne del Valle, University of the Basque Country UPV/EHU; Room B.03)**

- Simiao Li (Hokkaido University): Tullock contest under committee administration
- M. Josune Albizuri, Henar Díez and Amaia de Sarachu (University of the Basque Country UPV/EHU): The  $\alpha$ -reverse serial cost-sharing rules

#### **Regional and urban economics (Chair: Patricia Peinado, University of the Basque Country UPV/EHU; Room B.04)**

- Alex Julca (United Nations): The challenges and opportunities of building sustainable cities
- Alvaro Fierro (Urbegi Brand Mathematics and University of the Basque Country UPV/EHU) and Sergio Sánchez (University of the Basque Country UPV/EHU): Econometric approach to economic and social return of cultural activity of a

municipality: traffic fines, municipal waste and immigration as proxies. The case of Getxo (Biscay, Spain)

- José G. Vargas Hernández (University of Guadalajara): Strategies of Mexican cultural industry for regional development of Northern Jalisco. The case of huichol handcrafts

## **10.10 – 10.30 Coffee-Break**

### **10.30 – 12.05 Plenary Session Fiscal and Debt Policies for the Future I (Chair: Philip Arestis, University of Cambridge and University of the Basque Country UPV/EHU; Room: Aula Magna)**

- Yiannis Kitromilides (London Metropolitan University): The future of debt and deficit policies: democracy, technocracy and policy making
- Jesús Ferreiro, Carmen Gómez and Felipe Serrano (University of the Basque Country): Sustainable future fiscal and debt policies for Spain
- Georgios Chortareas (University of Athens) and Evangelia Desli (University of Thessaloniki): Fiscal and debt policies in Greece after the current crisis

## **12.10 – 13.35 Parallel Sessions**

### **Labour market I (Chair: Kosta Josifidis, University of Novi Sad; Room: Salón de Grados)**

- Pinyue Lu, Xiaoqin Ding, Shan Wang (Shanghai University of Finance and Economics): Pattern of international capital and Chinese working class conditions
- David Fairris (University of California, Riverside) and Erik Jonasson (National Institute of Economic Research, Stockholm): The determinants of changing informal employment in Brazil, 2000–2010
- Jesús Ferreiro and Carmen Gómez (Universidad del País Vasco UPV/EHU): Conditions for the implementation of wages policies

### **Graduate Students Session II (Chair: Marisol Esteban, University of the Basque Country UPV/EHU; Room B.01)**

- Amira Jouni Klibi (University of Manouba): Performance of VaR estimation with intra-daily financial data
- Mouna Gammoudi (Laboratoire REGARDS, Université de Reims Champagne Ardenne): Threshold effects in the capital account liberalization
- Raquel A. Ramos (Université Paris Nord XII): Financialization and its impact on emerging countries' exchange rates

### **External competitiveness (Chair: Catalina Gálvez, University of the Basque Country UPV/EHU; Room B.02)**

- Carlos Rodríguez and Ricardo Bustillo (Universidad del País Vasco UPV/EHU): Export Performance in Spain revisited: beyond the “Spanish Paradox”
- Miguel Torres (DEGEI and GOVCOOP, University of Aveiro), Celeste Varum (DEGEI and GOVCOOP, University of Aveiro) and Jeremy Clegg (University of Leeds): Public support incentives, sources of competitive advantage and modes of international operation

- Vesna Jankovic-Milic, Jelena Stankovic, Boban Stojanovic and Milivoje Pesic (University of Nis): Competitiveness of Serbia and the Balkan countries: The Role of Innovation

**Financial market institutions (Chair: Jerome Creel, Centre de Recherche en Économie OFCE); Room B.03)**

- Yu-Tai Yang (Army Academic R.O.C.) and Tzu-Yi Yang (Ming Chi University of Technology): The relation between corporate investment and news in the Taiwanese stock market
- José Reyes (Universidad Nacional Autónoma de México): Financial system in México: transformation banking and insurance
- Jae Harris (London School of Economics): Shanghai's early stock exchanges: An institutional analysis

**Developing economies I (Chair: Carlos A. Carrasco, University of the Basque Country UPV/EHU; Room B.04)**

- Salem Kanoun (Manouba University): Fiscal and External Sustainability in Tunisia: implications for post- crisis policies
- Essayem Abdelaziz (ISCAE, University La Manouba): Is the external debt of Tunisia sustainable? Cointegration based analysis
- Ibrahima Sy (University of South Toulon-Var): The subjective approach as a tool for understanding poverty: The case of Senegal

**13.35 – 14.35 lunch**

**14.35 – 16.45 Plenary Session Fiscal and Debt Policies for the Future II (Chair: Yiannis Kitromilides, London Metropolitan University); Room: Aula Magna)**

- Philip Arestis (University of Cambridge and University of the Basque Country UPV/EHU) and Malcolm Sawyer (University of Leeds): Prospects of future fiscal and debt policies in the UK
- Gennaro Zezza (University of Cassino and Levy Economics Institute): Fiscal and debt policies for sustainable US growth
- Eckhard Hein and Achim Truger (Berlin School of Economics and Law): Future fiscal and debt policies: Germany in the context of the European Monetary Union
- Jerome Creel and Francesco Saraceno (Centre de Recherche en Économie OFCE): Prospects of debt and deficits in the new French political era

**16.45 – 17.05 Coffee-Break**

**17.05 – 18.30 Parallel Sessions**

**Fiscal policy in Europe (Chair: Casimir Dadak, Hollins University; Room: Salón de Grados)**

- Kosta Josifidis (University of Novi Sad), John Hall (Portland State University), Novica Supic (University of Novi Sad, Serbia) and Emilija Beker Pucar (University of Novi Sad) and: Alibi in agony: the European Welfare States during crisis

- Celeste Varum (University of Aveiro and GOVCOPP), Carlos Pinho (University of Aveiro and GOVCOPP) and Micaela Antunes (University of Aveiro and GEMF): EU structural funds: a case of policy learning?
- Stefano Prezioso (Svimez, Rome), Pina Testa (University of Foggia) and Paolo Piacentini (University of Rome “La Sapienza”): Estimating the effects of recent fiscal policies in the North and South of Italy

#### **Developing economies II (Chair: Alex Julca, United Nations; Room B.01)**

- Carlos A. Carrasco and Jesús Ferreiro (Universidad del País Vasco UPV/EHU): Common factors in the Latin American Great Moderation
- Agata Wancio (Institute for Market, Consumption and Business Cycles Research): India as a destination for R&D activities: the home country perspective
- Elisa Botella Rodríguez (University of Salamanca): Strategies of agricultural development and opportunities for family farming in small economies. A comparative study of Cuba and Costa Rica in the global era (1990-2008)

#### **Migration (Chair: Patricia Peinado, University of the Basque Country UPV/EHU; Room B.02)**

- Okyay Ucan (Nigde University), F. Merve Parlakyildiz (Cukurova Universit) and M. Basaran Ozturk (Nigde University): An empirical test of income distribution and migration relationship: A case of Turkey
- Pablo Podadera and Francisco J. Calderón (Universidad de Málaga): Trans-Europe?: A Transnational approach to the study of national communities of European Union citizens in Málaga-Costa del Sol area

#### **Graduate Students Session III (Chair: Ricardo Bustillo, University of the Basque Country UPV/EHU; Room B.03)**

- Oumama Bouabdi (University of South Toulon-Var): Spatial analysis for attractiveness in non-oil MENA countries: fixed effect approach
- Maria Nikolaidi (Labour Institute, Greek General Confederation of Labour and University of Athens): Bank liquidity and macroeconomic fragility: Empirical evidence for the EMU
- Amine Nafla, Olfa Touimi and Med lamine Hamass (Tourism and Development, FSEG Sousse): Financial stability, monetary policy and their impacts on the economic growth: empirical evidence by using panel data

#### **Financial markets and financialisation (Chair: Eckhard Hein, Berlin School of Economics and Law; Room B.04)**

- Sebastian Valdecantos Halporn (Université Paris Nord, France) and Gennaro Zezza (University of Cassino and Levy Economics Institute): Reforming the International Monetary System. A stock-flow-consistent approach
- Óscar Dejuán (University of Castilla–La Mancha): Predator-prey model to explain cycles in financial-led capitalism
- Yeva Nersisyan (Franklin and Marshall College): Universal banks, shadow banks and financial fragility
- Hawa Diawara (University of the State of Rio de Janeiro): An analysis of the American financial crisis and its repercussions in the Brazilian economy

**Labour market II (Chair: Gennaro Zezza (University of Cassino and Levy Economics Institute; Room B.08))**

- Maria de Fátima Garcia, Eliane Cristina Araújo, Mara Lucy Castilho and Elisangela Luzia Araújo (State University of Maringá): Employment, wages and aggregate demand: theoretical analysis and empirical evidences
- Saša Randjelović (University of Belgrade), Marko Vladislavljević (Foundation for Advancement of Economics), Sunčica Vujić (University of Bath) and Jelena Žarković-Rakić (University of Belgrade): A behavioural microsimulation model with discrete labour supply: an ex ante evaluation of in-work benefits in Serbia
- Jhon James Mora and Juan Muro (Universidad Icesi and Universidad de Alcalá): On the size of sheepskin effects: a meta-analysis

**18.30 -19.30 Keynote Speaker Lord Robert Skidelsky: Keynes for Today**

(Chair: Philip Arestis, University of Cambridge and University of the Basque Country UPV/EHU; Room: Aula Magna)

**21.00 Conference Dinner (Silken Indautxu Hotel)**

**FRIDAY 28**

**9.00 – 11.00 Parallel Sessions**

**Topics on International Economics and Economic Policy, Organizer: NIFIP – Universidade do Porto, Chair: Abel Costa Fernandes (NIFIP, Faculdade de Economia, Universidade do Porto) (Room: Salón de Grados)**

- Abel Costa Fernandes (NIFIP, Faculdade de Economia, Universidade do Porto): Triffin's dilemma again and the efficient level of U.S. government debt
- Rui Henrique Alves and Óscar Afonso (CEF.UP, NIFIP, Universidade do Porto): The euro: a problematic teenager
- Paulo Mota and Paulo Vasconcelos (NIFIP, Faculdade de Economia, Universidade do Porto): The macrodynamics of employment under uncertainty
- Angela Cristina Popa (Academy of Economic Studies): An overview of the dynamic competitiveness of countries

**Money and monetary policy I (Chair: Oscar Dejuán, University of Castilla La Mancha; Room B.01)**

- Leonardo Vera (Universidad Central de Venezuela): The simple Post Keynesian monetary policy model: an open economy approach
- Hansjörg Herr (Berlin School of Economics and Law): The European Central Bank and the US Federal Reserve as lender of last resort
- Hasse Ekstedt (University of Gothenburg): The mysterious money. Some epistemological notes
- Eva Cipovová (Tomas Bata University): Credit portfolio modeling and its impact on the financial performance of the banks

**Institutions and economic activity I (Chair: José Reyes, Universidad Nacional Autónoma de México; Room B.02)**

- Zidi Ahmed and Ben Ali Tarek (University of Gafsa): Corruption, governance and economic growth in Developing Countries: analysis by panel data
- Kepa Astorkiza and Ikerne Del Valle (University of the Basque Country UPV-EHU): The imbalances of scientific advice in EU fisheries
- Kepa Astorkiza and Ikerne Del Valle (University of the Basque Country UPV-EHU): From medieval guilds to EU fisheries advisors: an old marine institution
- Ines Trojette (University of Reims) and Naoufel Liouane (University of Sousse): Determinant of convergence MENA-EURO: Institutional effect

**Graduate Students Session IV (Chair: Jesús Ferreiro, University of the Basque Country UPV/EHU; Room B.03)**

- Marija Vuković (Higher school of professional business studies Novi Sad): Fiscal adjustment and growth: comparative analysis in Baltic, Central and South-East Europe countries
- Rafla Hchaichi (Faculty of Economic Sciences and Management of Tunis): Environmental governance in a globalized world: the impact of environmental regulations on international trade
- Angel Luis Gonzalez Esteban (Imperial College): An Outlook of the World Wheat Economy (1885-2010)

**Fiscal policy II (Chair: Achim Truger, Berlin School of Economics and Law; Room B.04)**

- Christophe Blot (OFCE Centre de recherche en économie de Sciences Po), Marion Cochard (OFCE Centre de recherche en économie de Sciences Po), Jérôme Creel (OFCE and ESCP Europe), Bruno Ducoudré (OFCE Centre de recherche en économie de Sciences Po), Danielle Schweisguth (OFCE Centre de recherche en économie de Sciences Po) and Xavier Timbeau (OFCE Centre de recherche en économie de Sciences Po): Is there an alternative strategy for reducing public debt by 2032?
- Peter J. Stauvermann (Changwon National University): Financing human capital development via government debt: a small country case using overlapping generations framework
- Pedro Leão (Technical University of Lisbon): Should a government worry if it has a very high debt-to-GDP ratio?
- Sajjad Faraji Dizaji (Tarbiat Modares University): Government spending behavior and economic growth in Iran (An ARDL cointegration approach)

**11.00 – 11.20 Coffee-Break**

**11.20 – 13.30 Plenary Session Microeconomic Foundations of Macroeconomics (Chair: Philip Arestis, University of Cambridge and University of the Basque Country UPV/EHU)**

- Michelle Baddeley (University of Cambridge): Re-thinking the micro-foundations of macroeconomics: insights from behavioural economics
- Jagjit Chadha (University of Kent): Micro-foundations and financial frictions in macroeconomic models



- Yiannis Kitromilides (London Metropolitan University) and Thanos Skouras (Athens University of Economics and Business): Microfoundations, individual rationality and the 'fallacy of composition'
- Photis Lysandrou (London Metropolitan University): The limitations of the standard Post-Keynesian stock-flow model: why it needs new microfoundations

### **13.30 – 14.30 Lunch**

### **14.30 – 15.55 Parallel Sessions**

#### **Heterodox analysis of profits and capital accumulation (Chair: Felipe Serrano, University of the Basque Country UPV/EHU; Room: Salón de Grados)**

- Paul Zarembka (State University of New York, General Editor Research in Political Economy): Materialized composition of capital and its stability in the United States, 1948-2011
- Takashi Yagi (Meiji University): A new surplus equation
- Thanos Skouras (Athens University of Economics and Business): Sources of profits and their sustainability: A survey of basic theoretical issues

#### **Housing markets (Chair: Philip Arestis, University of Cambridge and University of the Basque Country UPV/EHU; Room B.01)**

- Huub Meijers (Maastricht University; UNU-MERIT), Joan Muysken (Maastricht University), Olaf Sleijpen (Maastricht University and Dutch Central Bank): The deficit financing gap: another Dutch disease
- Philip Arestis (University of Cambridge, UK, and University of the Basque Country) and Ana Rosa González (University of the Basque Country): Residential construction activity in OECD economies

#### **Foundations and teaching of macroeconomics (Chair: John McCombie, University of Cambridge; Room B.02)**

- Frédéric Verschueren (IWEPS and EQUIPPE University of Lille 3): Aggregation over individuals under polynomial representative draws
- Yoko Nagase (Oxford Brookes University): Discounting under uncertainty: Ramsey equation and the growth of certainty-equivalent consumption
- Ricardo Bustillo and Andoni Maiza (University of the Basque Country UPV-EHU): Macroeconomic simulation design in business and economics graduate studies

#### **Exchange rates (Chair: Carlos Rodríguez, University of the Basque Country UPV/EHU; Room B.03)**

- Ho-Don Yan and Li-Ju Chen (Feng Chia University): Factors driving currency misalignments in emerging market countries
- Jesús Salgado Vega (Universidad Autónoma del Estado de México), Fátima Y. Salgado Naime (Instituto Universitario de Investigación Ortega y Gasset) and María del Carmen Salgado Vega (Universidad Autónoma del Estado de México): Keynesian model with remittances, demand for foreign currency and foreign interest rate

- Sanja Grubacic (Southern Connecticut State University) and Julian Schuster (Webster University): Restoration of fiscal imbalances and real exchange rate adjustment in EU Accession Countries

## **15.55 – 16.10 Coffee-Break**

## **16.10 – 17.15 Parallel Sessions**

### **Foundations of macroeconomics (Chair: Michelle Baddeley, University of Cambridge; Room: Salón de Grados)**

- J.S.L. McCombie (CCEPP, University of Cambridge) and Maureen Pike (CCEPP, and Oxford Brookes University): On paradigms, rhetoric and the foundations of macroeconomics
- Dirk Ehnts (Berlin School of Economics and Law) and Miguel Carrión Álvarez (Banco Santander, Global Risk Methodology): The theory of reflexivity – a non-stochastic randomness theory for business schools only?

### **Money and monetary policy II (Chair: Carlos A. Carrasco, University of the Basque Country UPV/EHU; Room B.01)**

- Kosta Josifidis, Emilija Beker Pucar, Sladjana Srdic, Gabriela Ivana (University of Novi Sad): Inflation targeting in advanced vs emerging economies before and after the Crisis
- Eladio Febrero and Jorge Uxó (University of Castilla-La Mancha): Understanding TARGET2 imbalances from an endogenous money view

### **Pensions (Chair: Eladio Febrero, University of Castilla La Mancha; Room B.02)**

- Rudolf Zwiener (IMK - Hans-Boeckler-Foundation): On the path to old-age poverty in Germany - Macroeconomic effects of a shift from a PAYG pension system to a funded system
- Maja Bacovic (University of Montenegro): Fiscal policy in ageing society
- Patricia Peinado and Felipe Serrano (Universidad del País Vasco UPV/EHU): The dynamic effect of social security reforms on vulnerable population: the case of Spain

## **GENERAL INFORMATION**

Each participant will have 17-20 minutes to present her paper. In the sessions there will be 25 minutes for debate and discussion among speakers and participants in the session.

In each session there is a Chair, who ensures that the session runs smoothly, serving as a timekeeper and moderator during the debate.

In all the rooms there will be a laptop and an overhead projector.

In the “Sala de Profesores”, close to the Registration Desk, participants at the conference will be able to use laptops with internet connection and a printer.

Thursday and Friday lunches will be at the canteen of the Faculty. Thursday Conference Room will be at the Silken Indautxu Hotel. Thursday and Friday lunches and the Thursday Conference Dinner are included in the conference registration fee

Besides these meals, there are two additional paid dinners on Wednesday 26 and Friday 28 June. Wednesday dinner will take place at the Silken Indautxu Hotel. Friday dinner will take place at the Atea Restaurant. The price for each of these dinners is 40 euros. People interested in joining these dinners can register using the registration form provided at the conference website