

International Conference

*On*

## **The Global Economics of a Changing Environment**

**Athens, Greece, July 9-11, 2008**

Jointly Organized by:

**ATHENS UNIVERSITY OF ECONOMICS AND BUSINESS**

**LOYOLA UNIVERSITY CHICAGO**

*and the*

**ATHENIAN POLICY FORUM**

*Conference Chair:*

Gregory P. Prastacos, Rector Athens University of Economics and Business

*Conference Co-Chairs:*

Anastasios G. Malliaris, Loyola University Chicago and President of the  
Athenian Policy Forum

Nicholas C. Baltas, Athens University of Economics and Business

### **Organizing Committee:**

**In Greece:** Nicholas C. Baltas, Andreas Andrikopoulos, George C. Bitros, George Demopoulos, Yannis Katsoulakos

**In the United States:** Sven Arndt, Alex Kondonassis, Tassos Malliaris

**In Canada:** Jim Brox, Brenda Spotton

***"WE ATHENIANS, IN OUR OWN PERSONS, TAKE OUR DECISIONS ON POLICY OR SUBMIT THEM TO PROPER DISCUSSIONS: FOR WE DO NOT THINK THAT THERE IS AN INCOMPATIBILITY BETWEEN WORDS AND DEEDS; THE WORST THING IS TO RUSH INTO ACTION BEFORE THE CONSEQUENCES HAVE BEEN PROPERLY DEBATED..."***

*THUCYDIDES (460-400 B.C.), PERICLES' FUNERAL ORATION*

International Conference

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## **The Global Economics of a Changing Environment**

Athens, Greece, July 9-11, 2008

### THEME

Over the past decade, globalization has radically altered the competitive environment in which firms operate and governments are called to exercise their initiatives. In most countries one of the prime concerns is to maintain and to raise competitiveness. Policymakers and firms have been tuning their strategies and policies in an attempt to take full advantage of the opportunities and benefits of globalization and to absorb the costs of associated change.

Advanced economies have exploited these new opportunities, in particular by expanding trade with emerging economies, such as China, India and the Central and Eastern European countries following their integration into the world economy, by investing abroad and by outsourcing activities internationally. Nevertheless, in most advanced economies there is growing concern about the competition from emerging economies, as reflected in the loss of export market shares experienced over the last decade. A central question then is what policies should be pursued to facilitate adjustment to a more competitive environment and to reap the full benefits of globalization?

Another question has to do with the design of appropriate responses to curtail the inflationary expectations that emanate from the present crises in the world economy. And still a third question concerns the nature of leadership that the world expects from large countries, if the problems that beset presently the global economy are to ameliorated soon. These are some of the issues that will be discussed in the conference.

## CONFERENCE SCHEDULE

### Thursday, July 10, 2008

<b>9:00-10:00</b>	<b>Registration</b>
<b>10:00-10:30</b>	<b>Welcoming and Opening Remarks</b> <b>Gregory P. Prastacos, Conference Chair</b> <i>Rector, Athens University of Economics and Business</i> <b>Anastasios G. Malliaris, Conference Co - Chair</b> <i>Loyola University Chicago and President of the Athenian Policy Forum</i> <b>Nicholas C. Baltas, Conference Co-Chair</b> <i>Athens University of Economics and Business</i>
<b>10:30-12:30</b>	<b>The Christos Paraskevopoulos Lecture</b>
<b>12:30-14:00</b>	<b>Lunch</b>
<b>14:00-15:30</b>	<b>Concurrent Session I</b>
<b>15:30- 16:00</b>	<b>Coffee Break</b>
<b>16:00-18:00</b>	<b>Concurrent Session II</b>
<b>18:00-19:00</b>	<b>APF Board of Directors Meeting</b>

### Friday, July 11, 2008

<b>9:00-11:00</b>	<b>Panel Discussion</b>
<b>11:00-11:30</b>	<b>Coffee Break</b>
<b>11:30-13:00</b>	<b>Concurrent Session III</b>
<b>13:00-14:30</b>	<b>Lunch</b>
<b>14:30-16:00</b>	<b>Concurrent Session IV</b>
<b>16:00-17:30</b>	<b>Concurrent Session V</b>
<b>17:30-18:30</b>	<b>Closing of Conference</b>

## LIST OF SESSIONS

**NOTE: Each contributor will present his paper for 20 minutes, and there will be no formal discussants, so as to allow ample time for discussion from the floor.**

### **CHRISTOS PARASKEVOPOULOS LECTURE Thursday, July 10, 2008, 10:30-12:30**

*Chairpersons: George Bitros , Athens University of Economics and Business, Greece  
and Tassos Malliaris, Loyola University Chicago, USA*

George Constantinides, University of Chicago, USA

*“The Global Equity Premium Puzzle: Evidence and Theories*

### **CONCURRENT SESSION I -Thursday, July 10, 2008, 14:00-15:30**

#### **I-A Monetary Theory**

*Chairperson: Panayotis Korliras, Athens University of Economics and Business, Greece*

Marc D. Hayford and Anastasios G. Malliaris Loyola University Chicago, USA

*“Transparent U.S. Monetary Policy: Theory and Tests”*

George D. Demopoulos, Athens University of Economics and Business, Greece

Nicholas A. Yannacopoulos, University of Piraeus, Greece

Athanasios N. Yannacopoulos, Athens University of Economics and Business, Greece

Stanton A. Warren, Niagara University, USA

*“Neo-Wicksellian Monetary Theory and Monetary Unions”*

Hassouna Moussa, Acadia University, Canada

*“Inflation Control an Financial Crisis”*

#### **I-B Foreign Exchange Market and Exchange Rate Behavior**

*Chairperson: Apostolos Serletis, University of Calgary, Canada*

Mika Kato, Howard University, USA, Christian Proano, Macroeconomic Policy Institute (IMK),

Germany, Willi Semmler, New School University, USA

*“Nominal Exchange Rate Volatility and Optimal International Reserves Management”*

George Chalamandaris and Andrianos E. Tsekrekos, Athens University of Economics and Business, Greece

*“Common Factors and Causality in the Dynamics of Implied Volatility Surfaces: Evidence from OTC Currency Options”*

George Karras, University of Illinois at Chicago, USA

*“Demographic Change and the Current Account: Theory and Empirical Evidence”*

**CONCURRENT SESSION II - Thursday, July 10, 2008, 16:00-18:00**

**II-A Macroeconomic Adjustment and Economic Growth**

*Chairperson: Efthymios Pournarakis, Athens University of Economics and Business, Greece*

John Elder and Apostolos Serletis, North Dakota State University, University of Calgary, Canada

*“ Oil Price Uncertainty”*

*Nicholas A. Lash, Loyola University Chicago, Bala Batavia, De Paul University, USA*

*“Economic Intervention, Per-Capita Income and Corruption”*

*Nicos Christodoulakis, Athens University of Economics and Business*

*“CONVERGENCE OR DIVERGENCE IN THE EMU? Policy Priorities, old and new”*

**II-B Session in Honor of Alex Kondonassis. Celebrating 50 Years of Professorship at the University of Oklahoma and the Athens University of Economics and Business**

*Chairperson : George Demopoulos, Athens University of Economics and Business, Greece*

Alexander J. Kondonassis, the University Oklahoma and

Anastasios G. Malliaris, Loyola University Chicago, USA

*“NAFTA: Past, Present and Future”*

Filippo di Mauro and Katrin Forster, European Central Bank, EU

*“Globalisation and Competitiveness of the Euro Area”*

George C. Bitros, Athens University of Economics and Business, and Anastasios D. Karayiannis, University of Piraeus, Greece

*“Morality, Institutions and Economic Growth: Some Lessons from Ancient Greece”*

**APF BOARD OF DIRECTORS MEETING – Thursday, July 10, 2008, 18:00-19:00**

**Friday, July 11, 2008, 09:00-11:00**

*Chairperson: Andreas Kindis, Athens University of Economics and Business, Greece*

**Panel Discussion**

Yannis Stournaras,, University of Athens , Tryphon Kollintzas and Apostolis Philippopoulos, Athens University of Economics and Business, Greece.

*“From the Global to the Local Economy: Issues and Policies in a World Equilibrium Framework”*

### **CONCURRENT SESSION III - Friday, July 11, 2008, 11:30-13:00**

#### **III-A Monetary Policy**

*Chairperson : Mark Hayford, Loyola University Chicago, USA*

Minoas Koukouritakis, University of Crete, Greece, and Leo Michelis, Ryerson University, Canada

*“Monetary Policy Convergence Among the New EU Countries and the EMU”*

Stelios Karagiannis and Yannis Panagopoulos, Centre for Planning and Economic Research, Athens, Greece, and Prodromos Vlamis, University of Cambridge, U.K., , Centre for Planning and Economic Research, Athens

*“Effectiveness and Asymmetry of Interest Rate Adjustments: Evidence from South Eastern Europe”*

George Michalopoulos and John Papanastasiou, University of Macedonia, Greece

*“Explaining inflation differentials in the Euro Area: the case of Spain, Greece and Portugal”.*

#### **III-B International trade and its effects**

*Chairperson: Alex Kondonassis, University of Oklahoma, USA*

Animesh Ghoshal, DePaul University, USA

*“Is Distance Dead? Some Evidence from US Merchandise Trade”*

Robert Kerton, University of Waterloo, Canada

*“Yin and Yang in International Trade: Where is Pareto When you Need Him?”*

Efthymios Pournarakis, Athens University of Economics and Business

*“Asymmetries in Global FDI Flows and Institutional Inadequacies”*

#### **III-C Issues in Public and Corporate Governance**

*Chairperson: Ross Catterall, Centre for Research into Climate Change and Society, University of Winchester, UK.*

Spyros Roukanas, Democritus University of Thrace, Greece

*“The Dominant Role of State in the Contemporary International Economic and Political Environment”*

Spyros Vliamos and Aris Hatzis, University of Athens, Greece

*“The Assessment of Compensatory Damages for Medical Error by the Greek Courts: An Economic Analysis”*

Maria Elisavet Balta, Adrian Woods, Keith Dickson, Brunel University, UK

*“External Environment and Board Characteristics on Strategic Decision Making Process”*

#### **CONCURRENT SESSION IV - Friday, July 11, 2008, 14:30-16:00**

##### **IV-A Macroeconomics I**

*Chairperson: George Christou, Athens University of Economics and Business, Greece*

Prodromos Prodromidis, Centre for Planning and Economic Research, (KEPE), Greece.

*“Spatial Distribution of Employment and Unemployment in Greece”*

Ross Catterall and George Filis, Centre for Research into Climate Change and Society, University of Winchester, UK.

*“Economic Growth and Climate Change: An Irreconcilable Dilemma?”*

Simon Neaime, American University of Beirut, Lebanon

*“Sustainability of Foreign Debt in the MENA Region: An Empirical Investigation”*

##### **IV-B Macroeconomics II**

*Chairperson: Nick Lash, Loyola University Chicago, USA*

Qi Hong Dong and Michael S. Miller, DePaul University, USA

*“The Role of Intangible Capital in Explaining Wage Inequality between the Skilled and Unskilled Workers”*

Lambros Pechlivanos, Athens University of Economics and Business, Greece

*“On the Transitional Effects of Reform Policies”*

Themis D. Pantos, San Jose State University, and Reza Saidi, The Catholic University of America, USA

*“The “Big-Bang” Deregulatory Exercise in an Emerging Economy: The Case of Turkey”*

**CONCURRENT SESSION V - Friday, July 11, 2008, 16:00-17:30**

**V-A The Economics and Politics of Integration I**

*Chairperson: George Venieris, Athens University of Economics and Business, Greece.*

Almukhtar Al-Abri, Sultan Qaboos University, Oman

Bala Batavia, DePaul University, USA

P. Nandakumar, Inidna Institute of Management, India

*“Asset Prices and Inflation: A study of the Link in GCC countries”*

Konstantinos N. Karras, Emporiki Bank, Greece

*“Banks and Credit Derivatives: Some Behavioural and Stability Aspects”*

Jin W. Choi, DePaul University, USA

*“An Examination into Rationality and Efficiency of Mergers of Exchanges”*

**V-B The Economics and Politics of Integration II**

*Chairperson: George Karras, University of Illinois at Chicago, USA*

Hans-Georg Petersen, Potsdam University, Germany

*“Modern Income Taxation and international Tax Competitions: The Answer to Globalization Pressures”*

Caraveli, H. and Tsionas, E., Athens University of Economics and Business, Greece

*“Where in the U-shaped curve is Europe found? An empirical analysis of Centre-Periphery and specialization in the E.U.”*

Stavros Rodokanakis, Regional Development Fund, Macedonia, Greece and Dimitrios Tryfonidis, University of Macedonia, Greece

*“Unemployment hazard in the Aegean islands during the CSF-1: Econometric analysis of the LFS micro-data ”*

**Closing of Conference-Friday, July 11, 2008, 17:30-18:30**

**Program Notes**