EEFS2016
European Economics and Finance Society
Fifteenth Annual EEFS Conference

Amsterdam, Netherlands
16th – 19th of June 2016

Conference Program

Thursday 16 June 2016

17.00 – 19.00 Registration

19.00 – 21.00 Welcome Reception
### Uncertainty and Financial Markets
**Chair:** Ansgar Belke
- Sercan Eraslan and Faek Menla Ali
  - Financial Crises and the Dynamic Linkages Between Stock and Bond Returns
- Alin Marius Andries, Bogdan Căpraru and Simona Mutu
  - Corporate Governance and Efficiency in Banking: Evidence from Emerging Economies
- Kamil Liberadzki
  - Comparison of the Contingent Convertibles and Corporate Hybrid Securities Valuation Methods
- Ansgar Belke, Irina Dubova and Christian Dreger
  - On the Exposure of the BRICS Countries to Global Shocks

#### Debt and Consumption
**Chair:** Sebastian Weber
- Jean-Charles Bricongne
  - Interlinkages between Household and Corporate Debt in Advanced Economies
- Teresa Lloyd-Braga and Leonor Modesto
  - Can Consumption Taxes Stabilize the Economy in the Presence of Consumption Externalities?
- Jean-Charles Bricongne
  - Do Prizes in Economics Affect Productivity? A Mix of Motivation and Disappointment
- Katerina Gradeva, Elisa Gamberoni and Sebastian Weber
  - Firm Responses to Employment Subsidies: a Regression Discontinuity Approach to the 2012 Spanish Labour Market Reform

#### China and India
**Chair:** Fabrizio Casalin
- Michael Murach and Helmut Wagner
  - Drivers of Economic Growth in China
- Tommaso Gabrieli, Keith Pilbeam and Tianyu Wang
  - Estimation of Bubble Dynamics in the Chinese Real Estate Market: a State Space Model
- Gaurav Singh Chauhan
  - Working Capital Management and Target Cash Cycle Following: Evidence from India
- Fabrizio Casalin
  - Comparing the Holiday Effects in Mainland Chinese and Hong-Kong Markets

### Property Rights and Education
**Chair:** Jang C. Jin
- Mumtaz Hussain Shah
  - The effect of Intellectual Property Rights on Foreign Direct Investment in East Asia and Pacific Developing Countries
- Pasquale Sgro, Munirul Nabin and Robin Visser
  - Product Differentiation, Research & Development and IPR Enforcement
- Monica Ioana Pop-Silaghi, Simona Mutu and Valentina Mera
  - Is Education Important in Assessing the Impact of Institutions on Economic Growth in Emerging Economies?
- Jang C. Jin, Lawrence Jin and Eden S. H. Yu
  - Evolution and Formation of World’s Premier Research Centers: A Comparative Study based on Publications in Science
# Keynote Talk

**11:00 - 12:15**

**Keynote Dan Thornton,**

"The Parable of the Loaves and Fishes, Market Efficiency, and the (Near) Impossibility of Predicting Bond Excess Returns"

_Credit and Capital Markets Lecture_  
Chair: Ansgar Belke

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**12:15 - 13:15**

Lunch break

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# Friday 17 June 2016 · 13:15 – 15:15 | Parallel Sessions 2

Conference Venue: **Crowne Plaza Amsterdam City Centre** (Please see maps at the appendix of the program)

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<tr>
<th>Room A</th>
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</table>
| **Monetary Policy**  
Chair: Joscha Beckmann | **Growth, Expenditure and Taxes**  
Chair: Christoph Schinke | **Exchange Rates**  
Chair: Eiji Ogawa | **Banking and Finance**  
Chair: Susanne Günther |
| Jeyakrishna Velauthapillai, Helmut Wagner and Timo Baas  
- Limitations of Macroprudential Policy and Implications for Monetary Policy  
- The International Spillover Effects of US Monetary Policy  
Theodore Panagiotidis, Theologos Dergiades and Costas Milas  
- Does Inflation Target Matter? Evidence from a change in persistence test  
Joscha Beckmann and Robert Czudaj  
- Monetary Policy and Exchange Rate Expectations | Xiaopeng Yin  
- When “International Consumption Correlations Puzzle” Meets “Kaldor Facts”: The Unbalanced Growth Approach  
Mingyi Li, Hsin-I Chou and Xiangkang Yin  
- Institutional Demand and Post-earnings-announcement Return  
Ayse Coban, Orhan Çoban, Haldun Soydal and Şükru Sürrücü  
- Expenditure and Its Place in Economy: The Case of Turkey  
Christoph Schinke  
- Inter Vivos Transfers and the 2009 German Transfer Tax Reform | Keith Pilbeam and Ioannis Litsios  
Elena Seghezza and Giovanni B. Pittaluga  
- Why the Pre-eminence of the Dollar Will Last  
Abdulkader Nahhas, Ray Barrell and John Hunter  
- Exchange Rates and Bilateral FDI: Gravity Models of Bilateral FDI in High Income Economies  
Eiji Ogawa and Makoto Muto  
- Inertia of the US Dollar as a Key Currency through the Two Crises | Kamila Tomczak  
- The Impact of the 2007-2008 Financial Crisis on the Banking Systems in Advanced European Countries  
Coşkun Akdeniz, Abdurrahman Nazif Çatik and Husam Helmi  
- Measuring Financial Conditions for MENA Countries  
Dimitrios Asteriou, Keith Pilbeam, Antonios Sarantidis, Mike G. Tsionas Susanne Günther  
- The Performance of Banking Stocks during Recessions  
Susanne Günther  
- Peer Monitoring, Ownership Structure and Bank's Stability - Empirical Evidence from German Cooperative Banks |
## Friday 17 June 2016 · 16:30 – 18:00 | Parallel Sessions 3

**Conference Venue:** Crowne Plaza Amsterdam City Centre (Please see maps at the appendix of the program)

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<tr>
<th>Room A</th>
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</table>
| **Credit and Finance**  
Chair: Georgios Kouretas  
J-P. Niinimaki | **Voting and Political Economy**  
Chair: Florian Dorn  
Elisa Cencig and Laura Sabani | **Finance and Forecasting**  
Chair: Valentyna Ozimkovska  
Zaghum Umar | **Monetary Unions**  
Chair: Philipp Dybowski  
Paolo Canofari and Giovanni Di Bartolomeo |
| - Credit Rationing, Collateral and Financial Intermediation under Asymmetric Information on Law  
Alin Marius Andries and Simona Mutu  
- Systemic risk and foreign currency positions of banks: Evidence from Emerging Europe  
Anastassios Drakos, Georgios Kouretas and Prodromos Vlamis  
- Saving, Investment and Capital Mobility in EU Member Countries: A Panel Data Analysis of the Feldstein-Horioka Puzzle  
Evagelos Pafitis  
- A Theory of Corporate Voting Caps  
Florian Dorn and Niklas Potrafke  
- Do Leftwing European Governments More Often Fail the 3%-deficit-rule than Rightwing Governments?  
Elisa Cencig and Laura Sabani | - Hedging U.S. Metal & Mineral Industry Credit Risk with Precious Metals: Comparison through GARCH-type Models  
Marian Risse and Ludwig Ohl  
- Survival of the Fittest: Using Occam’s Window to Identify Major Determinants for Forecasting Precious Metal Returns  
Valentyna Ozimkovska and Stefan Reitz  
- Equity Flows and Relative Stock Prices: Empirical Evidence from North America  
Elisa Cencig and Laura Sabani | - Country-specific and Common Policies in a Monetary Union: Complements or Substitutes?  
Vaclav Zdarek  
- New Evidence on Fiscal Responses and Fiscal Heterogeneity in the Euro Area  
Philipp Adammer and Philipp Dybowski  
- Committing to Fiscal Policy: The Impact of the U.S. President on Consumer Confidence and Output  
Zaghum Umar |
**Saturday 18 June 2016 · 09:00 – 10:30 | Parallel Sessions 4**

**Conference Venue:** Crowne Plaza Amsterdam City Centre (Please see maps at the appendix of the program)

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<tr>
<td><strong>Growth and Aid</strong>&lt;br&gt;Chair: Keshab Bhattarai</td>
<td><strong>Monetary Policy</strong>&lt;br&gt;Chair: Emilia Gyoerk</td>
<td><strong>Forecasting</strong>&lt;br&gt;Chair: Jean-Charles Bricongne</td>
<td><strong>Banking</strong>&lt;br&gt;Chair: Tomoe Moore</td>
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<td>Ghulam Mustafa and Michela Vecchi</td>
<td>Maria Eleftheriou</td>
<td>Gozde Cerçi and Mehmet Balcilar</td>
<td>Klaus Zauner and Dariya Mykhaylyv</td>
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<tr>
<td>Azizun Nessa and Ioannis Bournakis</td>
<td>▪ Monetary Policy Surprises, Exchange-Rates and Economic Activity</td>
<td>Boriss Silverstovs</td>
<td>Nadia Benbouzid, Sushanta K. Mallick and Leone Leonida</td>
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<tr>
<td>Keshab Bhattarai</td>
<td>▪ Did Sweden Gain or Lose from Not Joining the European Monetary Union?</td>
<td>Jean-Charles Bricongne</td>
<td>Tomoe Moore and Ali Mirzaei</td>
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<tr>
<td>▪ Impacts of British Aid on Growth and Trade</td>
<td></td>
<td>▪ Is there a Profile for “Good” Chief Forecasters?</td>
<td>▪ Does Basel III-Compliant Bank Efficiency Enhance Industry Growth in Developing Countries?</td>
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**9:00 – 10:30**

**10.30 – 10:45 Coffee break**
### Saturday 18 June 2016 · 10:45 – 12:30 | Parallel Sessions 5

**Conference Venue:** Crowne Plaza Amsterdam City Centre (Please see maps at the appendix of the program)

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<tr>
<td><strong>Exchange Rates and Finance</strong>&lt;br&gt;Chair: Tatsiana Kliatskova</td>
<td><strong>Banking, Credit and Risk</strong>&lt;br&gt;Chair: Rafael Menges</td>
<td><strong>Trade</strong>&lt;br&gt;Chair: Antonia Reinecke</td>
<td><strong>Productivity and Business</strong>&lt;br&gt;Chair: Mustafa Kartal</td>
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</table>
| George Kouretas and Dimitris A. Georgoutsos  
- Is the Euro-Dollar Exchange Rate Determination Explained from Synthetic European pre-EMU Data? A Regime-switching Approach  
Carl Grekou,  
- Does the Exchange Rate Regime Shape Currency Misalignments in emerging and developing countries?  
Tatsiana Kliatskova and Uffe Mikkelsen  
- Floating with a Load of FX Debt | Leonor Modesto, Rodolphe Dos Santos Ferreira and Teresa Lloyd-Braga  
- Could Competition Always Raise the Risk of Bank Failure?  
Simona Dragos  
- Institutional Drivers of Life Insurance Consumption: A Dynamics Panel Approach for European Countries  
Hanno Dihle and Rafael Menges  
- Real Option Values under Different Forms of Uncertainty Shocks - the Euro Crisis as an Example | Kuok U Kei and Pui Sun Tam  
- Macroeconomic Uncertainty, Exchange Rate Volatility and Global Trade Imbalances  
Yoonho Choi and E. Kwan Choi  
- Innovation, Competition and North-South Trade  
Antonia Reinecke and Hans-Jörg Sehmerer  
- Redistribution, Trade and Corruption: An Empirical Assessment | Ibrahim Elatroush  
- Total Factor Productivity Analysis for Egyptian Public Sector Manufacturing Industries  
Tomasz Dorożyński and Janusz Świerkocki  
- Economic Zones in Poland: Effects Thereof and Activities of Companies that Manage the SEZs  
Mustafa Kartal, Ahmet Ay and Şevket Süreyya Kodaz  
- The Validity of Balassa-Samuelson Hypothesis: Dynamic Panel Data Methods Toward OECD Countries |

**10:45 – 12:30**

**12:30 – 13:30 Lunch Break**
13:30 – 14:30 Round Table
Brexit
Chair: Ansgar Belke (University of Duisburg-Essen)
Iain Begg (London School of Economics), Keith Pilbeam (City University London)
Georgios Chortareas (Kings College London)

Saturday 18 June 2016 · 14:30 – 16:00 | Parallel Sessions 6
Conference Venue: Crowne Plaza Amsterdam City Centre (Please see maps at the appendix of the program)

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<td><strong>Growth and Trade</strong>&lt;br&gt;Chair: Gaurav Singh Chauhan</td>
<td><strong>Oil Prices Dynamics</strong>&lt;br&gt;Chair: Theodore Panagiotidis</td>
<td><strong>Redistribution and Inequality</strong>&lt;br&gt;Chair: Tam Pui Sun</td>
<td><strong>House Prices and Finance</strong>&lt;br&gt;Chair: Petre Caraiani</td>
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| Zunaira Aman  
- Explaining REER Misalignment: The Role of Currency Regimes, Financial Openness & Trade Agreements  
Aytac Erdemir  
- Random Growth with a Barrier: Case of Norway  
Andrey Gnidenko and Vladimir A. Salnikov  
- Net Comparative Advantage Index: Overcoming the Drawbacks of the Existing Indices | Christopher Thiem  
- Oil Price Uncertainty and the Business Cycle: Accounting for the Influences of Global Supply and Demand within a VAR GARCH-in-mean Framework  
Mehmet Balciar, Riza Demirer and Talat Ulussever  
- Does Speculation in the Oil Market Drive Investor Herding in Net Exporting Nations?  
Theodore Panagiotidis and Georgios Bampinas  
- Asymmetric Dependence and Nonlinear Contagion between Oil and Stock Markets: Evidence from Three Crises | Keshab Bhattacharai  
- A Survey on Theories of Redistribution  
Manuel Leite-Monteiro, Marta Aloi and Teresa Lloyd-Braga  
- Welfare Benefit Reforms and Income Redistribution  
Tam Pui Sun, Xinhua Gu, and Xiao Chang  
- Inequality, Growth and Financial Crisis: The case of Asia | Martin Kern  
- House Price Cycles and Financial Market Liberalization  
Petre Caraiani  
- Financial Frictions and Potential Output in a Small Open Economy  
Marco Ercolani, William Pouliot and Joanne Ercola  
- Luck versus skill over time: Time Varying Performance in the Cross-Section of Mutual Fund Returns |

14:30 – 16:00
### Saturday 18 June 2016 · 16:30 – 18:00 | Parallel Sessions 7

**Conference Venue:** Crowne Plaza Amsterdam City Centre (Please see maps at the appendix of the program)

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| **Labor Markets and Macroeconomic Stability**  
Chair: Timo Baas | **Financial Markets and Forecasting**  
Chair: Michael Murach | **Monetary Policy and Financial Markets**  
Chair: Dimitris Kenourgios | **Investment and Productivity**  
Chair: Ioannis Litsios |
| Michele Modugno, David Aikman, Andreas Lehnert and Nellie Liang  
- Financial Vulnerabilities, Macroeconomic Dynamics, and Monetary Policy  
Simon Savsek, Robert Anderton, Arno Hantzsche and Mate Tóth  
- Sectoral Wage Rigidities and Labour and Product Market Institutions in the Euro Area  
Timo Baas and Marjan Aikimbaeva  
- Macroeconomic Stability and the Single European Labour Market | Marcin Liberadzki  
- Coupon Deferral and Early Redemption as Major Price Determinants of Contingent Convertible Bonds.  
Suncica Vujie and Xiaoyu Zhang  
- Can Movie Sentiments Extracted from Twitter Messages Predict Box Office Receipts for Films?  
Michael Murach  
- Market Volatility, Monetary Policy and the Long-Term Interest Rate  
Nikolaos Philippas Fotini Economou and Christis Hassapis  
- Investors’ fear and herding in the stock market | Usha Nair-Reichert and Jon Schmid  
- FDI Spillovers and Firm Productivity in India  
Cinzia Aleidi and Gilles Thirion  
- Assessing the Euro Area Shock Absorption Capacity: Risk-Sharing, Consumption Smoothing and Fiscal Policies  
Ioannis Litsios and Keith Pilbeam  
- An Empirical Analysis of the Nexus between Investment, Fiscal Balances and Current Account Balances in Greece, Portugal and Spain |

### 16:00 – 16:30 Coffee break
### Saturday 18 June 2016

| 20:00 Conference Dinner |

### Sunday 19 June 2016

| 09:30 – 14:00 Optional Excursion |

*Amsterdam Historical Bus Tour*

*Half Day Tour (09:30-14:30)*

Registration at the conference. Detailed information will be provided soon
Conference Location:
Crowne Plaza Amsterdam City Centre c/o Nieuwezijds Voorburgwal 1012 RC
Amsterdam, The Netherlands