

# **EcoMod2003**

**International Conference on Policy Modeling**

Istanbul, Hotel Conrad, July 3-5, 2003

## **PROGRAM**

Sponsored by:

Istanbul Bilgi University

Turkish Academy of Sciences

Union of the Chambers and Commodity Exchanges of Turkey (TOBB)

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### Conference Timetable

Session	Session 1	Session 2	Session 3	Session 4	Session 5	Session 6	Session 7
Room	Room M30	Room M31	Room M32	Ballroom A	Ballroom B	Ballroom C	Room R23
<b>Thursday, July 3<sup>rd</sup></b>							
09:00 – 09:15	Opening Ceremony						
09:15 – 10:15	Plenary session I (Room: Conrad Ballroom, Floor R)						
10:15 – 10:45	<b>Refreshment Break</b> (Conrad Ballroom Foyer, Floor R)						
10:45 – 12:45	Agriculture	Trade & Public Finance	Game Theoretical Models	Monetary Policy	EU Enlargement	International Finance	Forecasting & Projections
12:45 – 14:30	<b>Lunch</b> (Restaurant Manzara, Floor R)						
14:30 – 16:00	Middle East	EU Enlargement	GEM New Developments	Monetary Policy: Emerging Market	Energy & Environment	Growth	SAM & Projections
16:00 – 16:30	<b>Refreshment Break</b> (Conrad Ballroom Foyer, Floor R)						
16:30 – 18:30	Agriculture	Trade	Regional Modeling	Monetary Policy	Energy & Environment	Macroeconometric modeling	IMMPA
20:00 – 23:00	<b>Welcome Reception at the Esma Sultan Palace</b>						
<b>Friday, July 4<sup>th</sup></b>							
09:00 – 10:30	Plenary session II (Room: Conrad Ballroom, Floor R)						
10:30 – 11:00	<b>Refreshment Break</b> (Conrad Ballroom Foyer, Floor R)						
11:00 – 12:30	Business cycles	Trade & Growth	GEM: South America	Asian Regional Integration & WTO	Energy & Environment	Macroeconometric Modeling	International Finance II
12:30 – 14:00	<b>Lunch</b> (Restaurant Manzara, Floor R)						
14:00 – 15:30	Developing Countries	Public Finance	Taxation & GEM	Monetary Policy	Energy & Environment	Pension Reform	Growth & Fiscal Policy
	<b>Refreshment Break</b> (Conrad Ballroom Foyer, Floor R)						
16:00 – 18:00	Agriculture	Trade & Growth	Turkish Economy	European Monetary Policy	Trade Policy	Labor Market	TROLL Demonstration
20:00 – 23:00	<b>Boat Cruise and Dinner on the Bosphorus</b>						
<b>Saturday, July 5<sup>th</sup></b>							
09:00 – 11:00	Plenary session III (Room: Conrad Ballroom, Floor R)						
11:00 – 11:30	<b>Refreshment Break</b> (Conrad Ballroom Foyer, Floor R)						
11:30 – 13:00	Growth and Technology	Regional Modeling	GEM	Macroeconometric modeling	Energy & Environment	Finance	Forecasting
13:00 – 14:00	<b>Lunch</b> (Restaurant Manzara, Floor R)						

## CONFERENCE ROOMS

**The sessions will take place in the following rooms:**

<b>Plenary session:</b>	Floor R, Conrad Ballroom A and B
<b>Session 1:</b>	Floor M, Room: M30
<b>Session 2:</b>	Floor M, Room: M31
<b>Session 3:</b>	Floor M, Room: M32
<b>Session 4:</b>	Floor R, Conrad Ballroom A
<b>Session 5:</b>	Floor R, Conrad Ballroom B
<b>Session 6:</b>	Floor R, Conrad Ballroom C
<b>Session 7:</b>	Floor R, Room: R23

**Refreshment breaks** will take place at the Foyer of the Ballroom (floor R).

**Lunches** will take place at the restaurant Manzara (floor R).

## SOCIAL PROGRAM

### Thursday, July 3<sup>rd</sup>

**20:00 – 23:00** Welcome Reception at the Esma Sultan Palace.  
Departure from the hotel by coach at 20:00.

Esma Sultan Palace is located in Ortaköy, on the European shores of the Bosphorus.

### Friday, July 4<sup>th</sup>

**20:00 – 23:00** Boat Cruise and Dinner on the Bosphorus  
Departure from the hotel by coach at 20:00 to the boat Semiramis at the Kabatas Harbor.

**Wednesday, July 2<sup>nd</sup>:****17:00 – 20:00 Registration****Thursday, July 3<sup>rd</sup>:****8:00 – 9:00 Registration****9:00 – 9:15 Welcome and opening session** (Room: Conrad Ballroom, Floor R)

Prof. Ali BAYAR, President, EcoMod Network and Free University of Brussels  
 Prof. Lale DURUIZ, Rector, Istanbul Bilgi University  
 Ass. Prof. Durmuş ÖZDEMİR, Istanbul Bilgi University

**9:15 – 10:15 Plenary Session I Opening Lecture on Macroeconometric Modeling**

Chair: Dr. André DRAMAIS, European Commission

Prof. Hashem PESARAN, University of Cambridge  
*Modelling Regional Interdependencies using a Global Error-Correcting  
 Macroeconometric Model* (M. Hashem PESARAN, Til SCHUERMANN, Scott  
 WEINER)

**10:15 – 10:45 Refreshment Break****10:45 – 12:45 Parallel Sessions****Session 1: Agriculture** (Floor M, Room M30)

Chair: Paul DE BOER

Kentaro KAWASAKI  
*The Impact of Cultivation and Afforestation in India – A CGE Modeling Approach*

Iain FRASER, Robert WASCHIK  
*Agricultural Land Retirement for Biodiversity: The Australian Wool Industry*

Jean-Marc BOUSSARD, F. GERARD, M.G. PIKETTY  
*Agricultural Trade Liberalization in a World of Uncertainty: a CGE Model*

M. BAKHSHOODEH, M. PIROOZIRAD  
*Effects of Rice Price Change on Welfare: Evidence from Households in Fars  
 Province, Iran*

**Session 2: Trade and Public Finance** (Floor M, Room M31)

Chair: Marco MISSAGLIA

Bilin NEYAPTI, Fatma TAŞKIN, Murat ÜNGÖR  
*Has European Customs Union Agreement Really Affected Turkey's Trade?*

Penélope PACHECO-LÓPEZ  
*The Impact of Trade Reforms on Mexico's Imports*

Adriana GRIGORESCU, Constantin A. BOB  
*Structural Analysis and Forecast of the Romanian Exports*

Serap BINDEBIR, Mia HANDSHIN, Miodrag JOVANOVIĆ, Christian E. RIECK  
*Federalism, Decentralization and Conflict Management in Multicultural Societies - International Community-*

**Session 3: Game Theoretical Models** (Floor M, Room M32)

Chair: Mark VANCAUTEREN

Javier PEROTE-PEÑA, Juan PEROTE-PEÑA  
*Strategy-Proof Estimators for Simple Regression*

J. M. BINNER, L. R. FLETCHER, V. N. KOLOKOLSTOV, A. LUND, P. WHYSALL  
*Optimisation of Strategic Investment for Market Share in a Duopoly*

Kun-Ming CHEN, Tsai-Chia CHEN  
*Firms' Strategies and the Effects of Antidumping Policy*

Andrea MANTOVANI, Mark VANCAUTEREN  
*The Harmonization of Technical Barriers to Trade, Innovation and Export Behavior: Theory with an Application to EU Environmental Regulations*

**Session 4: Monetary Policy** (Floor R, Ballroom A)

Chair: Joseph PLASMANS

Maria DEMERTZIS, Andrew HUGHES HALLETT  
*Central Bank Transparency in Theory and Practice*

Hakan KARA  
*Optimal Monetary Policy Rules under Imperfect Commitment: Reconciling Theory with Evidence*

Pascal JACQUINOT, Ferhat MIHOUBI  
*The Optimality of the Taylor Rule in MARCOS: Some Deterministic and Stochastic Experiments*

Giovanni DI BARTOLOMEO, Bruno MERLEVEDE, Joseph PLASMANS, Bas VAN AARLE  
*Monetary Policy Regimes with Hybrid Output Gaps and Inflation Rates with an Application to EU-Accession Countries*

**Session 5: European Union Enlargement** (Floor R, Ballroom B)

Chair: Boris MAJCEN

J.Andrés FAÍÑA, Jesus LÓPEZ-RODRÍGUEZ  
*Population Potentials and Development Levels: Empirical Findings in the European Union*

Erzsebet KOVACS, Zoltan KOLLAR  
*Social Side of the EU Enlargement*

Pekka SULAMAA, Mika WIDGRÉN  
*EU Enlargement and Beyond: A Simulation Study on EU and CIS Integration*

**Session 6: International Finance** (Floor R, Ballroom C)

Chair: Yunus AKSOY

Alex Luiz FERREIRA, Miguel A. LEON-LEDESMA  
*Does The Real Interest Parity Hypothesis Hold? Evidence for Developed and Emerging Markets*

Tuomas KOMULAINEN and Johanna LUKKARILA  
*What Drives Financial Crises in Emerging Markets?*

Aylin SOYDAN  
*Financial Liberalisation, Currency Substitution and Seigniorage: Evidence from Turkey*

**Session 7: Forecasting and Projections** (Floor R, Room R23)

Chair: André DRAMAIS

Thomas MELITO, Joseph CHRISTOFF, et. al.  
*Assessment of IMF Forecasting*

Pertti KANGASSALO, Kari TAKALA  
*Measuring the Usefulness of Consumers' Inflation Expectations in Finland*

Viktor VÁRPALOTAI  
*Disaggregated Cost Pass-Through Based Econometric Inflation-Forecasting Model for Hungary*

André DRAMAIS  
*Forecasting Industrial Production from Business Survey Data for the Euro-Area*

**12:45 – 14:30 Lunch Break**

**14:30 – 16:00 Parallel Sessions****Session 1: Middle East** (Floor M, Room M30)

Chair: Paul DE BOER

Beatriz GAITAN

*Welfare Effects of Multiple Exchange Rate Systems: The Case of Syria*

Omar FERABOLI

*A Dynamic Analysis of Jordan's Trade Liberalisation*

Marco MISSAGLIA, Paul DE BOER

*Food-For-Work versus Cash-For-Work: Emergency Assistance in Palestine*

**Session 2: European Union Enlargement** (Floor M, Room M31)

Chair: Arjan LEJOUR

Karen JACKSON

*Trade Preferences in Manufactures. The Case of the Turkey-EU Customs Union*

Ali BAYAR, Boris MAJCEN, Cristina MOHORA

*The Effects of Foreign Trade Liberalization and Financial Flows between Slovenia and EU Budgets after the Accession*

Arjan LEJOUR, Ruud DE MOOIJ

*Turkish Delight: Assessing the Economic Benefits of Turkey's Accession to the EU*

**Session 3: General Equilibrium Modeling: New Developments** (Floor M, Room M32)

Chair: Dirk WILLENBOCKEL

Karl FARMER, Ronald WENDNER

*Dynamic Multi-Sector CGE Modelling and the Specification of Capital*

Dürdane Şirin SARACOĞLU

*On the Size and the Evolution of the Informal Sector in Developing Countries: The Case of Turkey*

Dirk WILLENBOCKEL

*The Numeraire Problem in General Equilibrium Models with Market Power: Much Ado about Nothing?*

**Session 4: Monetary Policy in Emerging Markets** (Floor R, Ballroom A)

Chair: Oya CELASUN

André MINELLA, Paulo Springer de FREITAS, Ilan GOLDFAJN, Marcelo Kfoury MUIINHOS

*Inflation Targeting in Brazil: Constructing Credibility under Exchange Rate Volatility*

Solange BERSTEIN, Rodrigo FUENTES

*From Policy Rate to Bank Lending Rates: The Chilean Banking Industry*

Oya CELASUN, Gaston GELOS, Alessandro PRATI

*Would "Cold Turkey" Work in Turkey?*

**Session 5: Energy and Environment** (Floor R, Ballroom B)

Chair: Roberto ROSON

Florent PRATLONG, Denise VAN REGEMORTER, Paul ZAGAMÉ  
*Is Market Power as “Hot Air” undermining the Effectiveness of the Kyoto Protocol?*

Rolf GOLOMBEK, Sverre A. C. KITTELSEN  
*Long-run Effects of Liberalising the Energy Markets in Western Europe*

Roberto ROSON  
*Modelling the Economic Impact of Climate Change*

**Session 6: Growth** (Floor R, Ballroom C)

Chair: Jann LAY

Hasan KIRMANOGLU  
*Political Freedom and Economic Well-being: A Causality Analysis*

Raimundo SOTO, Aristides TORCHE  
*Spatial Inequity after Reforms in Chile: Where Do We Stand?*

Maurizio BUSSOLO, Jann LAY  
*Globalization and Poverty Changes in Colombia*

**Session 7: Social Accounting Matrices and Projections** (Floor R, Room R23)

Chair: Alejandro CARDENETE

John F. MAY, Jean-Pierre GUENGANT  
*Population Projections as Modeling Tools for Socio-Economic Planning: The Case of Niger*

Susana Maria G. SANTOS  
*The Social Accounting Matrix as a Working Instrument for Defining Economic Policy. Application in Portugal with Emphasis on the General Government Sector*

M. Alejandro CARDENETE, Ferran SANCHO  
*Sensitivity of Simulation Results to Competing SAM Updates*

**16:00 – 16:30 Refreshment Break**

**16:30 – 18:30 Parallel Sessions****Session 1: Agriculture** (Floor M, Room M30)

Chair: Elena IANCHOVICHINA

Li NINGHUI

*Economic Impact of Banning Methyl Bromide*

Aslihan SPAULDING, Murali KANAKASABAI, Jianqiang HAO, Jerry SKEES  
*Can Weather Derivative Contracts Help Mitigating Agricultural Risk? Microeconomic Policy Implications for Romania*

Ujjayant CHAKRAVORTY, Chieko UMETSU, David ZILBERMAN  
*Spatial Water Management under Alternative Institutional Arrangements*

Fabrizio CARLEVARO, Hugo LOZA  
*Modeling Irrigation Agriculture in Bolivia*

**Session 2: Trade** (Floor M, Room M31)

Chair: Denise KONAN

Hassan KALBASI

*Modelling and Patterns of Intra-Industry Trade (Iran's Case Study)*

Alireza NAGHAVI

*Asymmetric Labor Markets and the Location of Firms: Are Multinationals Attracted to Loose Labor Standards?*

Bernardi CABRER-BORRAS, Jose Manuel PAVIA-MIRALLES, Carlos LLANO-VERDURAS, Luis VILA-LLADOSA  
*An Analysis of the Spanish Interregional Commercial Flows. An Input-Output Approach*

Antoine BOUËT, Lionel FONTAGNE, Mondher MIMOUNI  
*Direct Measure of Protection: a Rehabilitation*

**Session 3: Regional Modeling** (Floor M, Room M32)

Chair: Cristina MOHORA

Gregory GAJEWSKI and Marc LUPPINO

*Poverty Reduction and Road Projects: A Prospective Estimation Method*

Adolf STROOMBERGEN, George STUART

*A General Equilibrium Model for Regional Economic Development*

Maurizio BAUSSOLA

*Modeling a Regional Economic System: The Case of Lombardy*

Natalya SHEVCHIK

*The Performance of Kazakhstani Industrial Enterprises by Location*

**Session 4: Monetary Policy in Emerging Markets** (Floor R, Ballroom A)

Chair: Patrick WATSON

Charles JOSEPH, Janu DEWANDARU, Iman GUNADI  
*Playing Hard or Soft? A Simulation of Indonesian Monetary Policy in Targeting Low Inflation Using a Dynamic General Equilibrium Model*

Olena BILAN  
*Relationship between Money and Interest Rate in Ukraine: In Search of the Liquidity Effect*

Patrick WATSON  
*Macroeconomic Dynamics in Trinidad & Tobago: Implications for Monetary Policy in a Very Small Oil-based Economy*

**Session 5: Energy and Environment** (Floor R, Ballroom B)

Chair: Stéphane DEES

Reinhard MADLENER, Gürkan KUMBAROĞLU, Volkan Ş. EDIGER  
*Technology Adoption Modelling in Situations of Irreversible Investments under Uncertainty: The Case of the Turkish Electricity Supply Industry*

Raul O'RYAN, Carlos DE MIGUEL, Sebastián MILLER, Mohan MUNASINGHE  
*General Equilibrium Analysis of Cross Effects in Social and Environmental Policies: Case Study of Chile*

Stéphane DEES, Pavlos KARADELOGLOU, Robert KAUFMANN, Marcelo SANCHEZ  
*Modelling the World Oil Market: Assessment of a Quarterly Econometric Model*

**Session 6: Macroeconometric Modeling** (Floor R, Ballroom C)

Chair: André DRAMAIS

Christian MÜLLER  
*A Time Series Approach to a Structural Model of the Swiss Economy*

Pierre-Olivier BEFFY, Xavier BONNET, Matthieu DARRACQ-PARRIES and Briec MONFORT  
*MZE: A Small Macro-Model for the Euro Area*

Laura PISCITELLI, Peter WESTAWAY  
*FEER Computation: A Model Based Approach*

**Session 7: Invited Session: Integrated Macroeconomic Model for Poverty Analysis**  
(Floor R, Room R23)

Chair: Hippolyte FOFACK

Hippolyte FOFACK

*IMMPA: A Quantitative Macroeconomic Framework for the Analysis of Poverty Reduction Strategies*, paper authored by Pierre-Richard Agénor, Alejandro Izquierdo and Hippolyte Fofack.

Eduardo HADDAD

*Analyzing the Impact of Adjustment Policies on the Poor: An IMMPA Framework for Brazil*, paper authored by Pierre-Richard Agénor, Reynaldo Fernandes, Edouardo Haddad, and Dominique van de Mensbrugghe.

Henning Tarp JENSEN

*Growth and Unemployment in Labor-exporting MENA-countries*, paper authored by Pierre-Richard Agénor, Mustapha Nabli, Tarik Yousef and Henning Tarp Jensen.

**20:00 – 23:00 Welcome Reception at the Esma Sultan Palace.  
Departure from the hotel by coach at 20:00.**

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**Friday, July 4<sup>th</sup>:**

**9:00 – 10:30 Plenary Session II, Eurosystem: New Challenges**

(Room: Conrad Ballroom, Floor R)

Chair: Dr. Yunus AKSOY, University of Kent

Prof. Paul DE GRAUWE, Catholic University of Leuven  
*The Challenge of Enlargement for the Eurosystem*

Dr. Frank SMETS, European Central Bank  
*Asset Price Booms and Monetary Policy* (Carsten DETKEN, Frank SMETS)

**10:30 – 11:00 Refreshment Break**

**11:00 – 12:30 Parallel Sessions**

**Session 1: Business Cycles** (Floor M, Room M30)

Chair: Bernd LUCKE

Viktor DVURECHENSKIKH, Vladimir BARANOV  
*On The Use of 'Reaction-Diffusion' Model in the Business Cycle Analysis*

Mauro GALLEGATI, Gianfranco GIULIONI, Nozomi KICHIJI  
*Complex Dynamics and Financial Fragility in an Agent Based Model*

Bernd LUCKE  
*Transmission of Business Fluctuations between Large and Small Economies: An Application to the EU15 and Jordan*

**Session 2: Growth and Trade** (Floor M, Room M31)

Chair: Karl FARMER

Mohammad AKBAR, Zareen Fatima NAQVI  
*Are Exports an Engine of Growth in Pakistan?*

Mustafa ISMIHAN, Kivılcım METİN-ÖZCAN, Aysit TANSEL  
*Macroeconomic Instability, Capital Accumulation and Growth: The Case of Turkey 1963-1999*

M. ALOY, B. MORENO, G. NANCY  
*Does Fiscal Policy Matter in a Currency Board Regime? The Case of Argentina*

**Session 3: General Equilibrium Modeling: South America** (Floor M, Room M32)

Chair: Marco MISSAGLIA

Omar O. CHISARI, Antonio ESTACHE, Germán LAMBARDI, Carlos A. ROMERO  
*Devaluation and Public Services: Trade-Offs and Remedial Policies. A CGE Model for Argentina*

Francisco GALLEGO, Klaus SCHMIDT-HEBBEL, Luis SERVÉN  
*General Equilibrium Dynamics of Foreign Shocks and Policy Changes in Chile*

Rómulo A. CHUMACERO  
*A Toolkit for Analyzing Alternative Policies in the Chilean Economy*

**Session 4: Asian Regional Integration and WTO** (Floor R, Ballroom A)

Chair: Jean Louis BRILLET

Yiseok HONG

*The Economic Effects of Bilateral Free Trade Areas among ASEAN, China, Japan and Korea*

Elena IANCHOVICHINA, Terrie WALMSLEY

*Impact of China's WTO Accession on East Asia*

Jean Louis BRILLET, Liu XIAOYUE

*The Accession of China to WTO: The Consequences for the Regional Gap*

**Session 5: Energy and Environment** (Floor R, Ballroom B)

Chair: Haluk ERLAT

Sebnem SAHIN, Florent PRATLONG

*Alternative Options in the Design of a CO<sub>2</sub> Tradable Emission Permits Scheme in Turkey*

Cathrine HAGEM, Steffen KALLBEKKEN, Ottar MÆSTAD, Hege WESTSKOG

*Simultaneous Market Power for Complementary Goods: Gas and Emission Permit Exports*

Y. Okan KAVUNCU

*Reconsidering Intergenerational Cost-Benefit Analysis of Climate Change: An Endogenous Abatement Approach*

**Session 6: Macroeconometric Modeling** (Floor R, Ballroom C)

Chair: Güzin ERLAT

Marie BESSEC

*The Asymmetric Exchange Rate Dynamics in the EMS: a Time-Varying Threshold Test*

Peter STALDER

*Pegging the Swiss Franc to the Euro in a World with Different Types of Shocks*

Erdal ATUKEREN

*Oil Prices and the Swiss Economy*

**Session 7: International Finance** (Floor R, Room R23)

Chair: İrfan CIVCIR

Ansgar BELKE, Ralph SETZER

*The Costs of Exchange Rate Volatility for Labor Markets: Some Empirical Evidence from the CEE Economies*

Maria Giovanna BOSCO

*Are Foreign Banks More Efficient than Domestic Banks? An Empirical Study of Transition and MED Countries*

İrfan CIVCIR

*The Monetary Models of the Turkish Lira/Dollar Exchange Rate: Long-run Relationships, Short-run Dynamics and Forecasting*

**12:30 – 14:00 Lunch Break**

**14:00 – 15:30 Parallel Sessions**

**Sessions 1: Developing Countries**

Chair: Irfan CIVCIR

Khusnia MURADOVA, Oydin KHUSAINOVA  
*The Integration of Uzbekistan into the World Economy*

Imed DRINE, Christophe RAULT  
*Does the Balassa-Samuelson Hypothesis Hold for Asian Countries? An Empirical Analysis using Panel Data Cointegration Tests*

Alain MAURIN, Sandra SOOKRAM, Patrick Kent WATSON  
*Measuring the Size of the Hidden Economy in Trinidad & Tobago*

**Session 2: Public Finance** (Floor M, Room M31)

Chair: Freddy HEYLEN

Catherine MATHIEU, Henri STERDYNIK  
*Reforming the Stability and Growth Pact: Breaking the Ice?*

Carlos MARTINEZ-MONGAY, Khalid SEKKAT  
*The Tradeoff between Efficiency and Macroeconomic Stabilization in Europe*

Lorenzo POZZI, Freddy HEYLEN, Maarten DOSSCHE  
*Government Debt and the Excess Sensitivity of Private Consumption to Current Income: An Empirical Analysis for OECD Countries*

**Session 3: Taxation and General Equilibrium Modeling** (Floor M, Room M32)

Chair: Can ERBIL

Marna KEARNEY  
*Zero-rating Food: A CGE Analysis*

Guntur SUGIYARTO, Adam BLAKE, M. Thea SINCLAIR  
*Optimal Allocation of Commodity Taxation in the Second Best Situation*

Can ERBIL  
*Trade Taxes Are Better?!? Short Answer: No*

**Session 4: Monetary Policy** (Floor R, Ballroom A)

Chair: Yunus AKSOY

Nicolas MILLION  
*Shifting Regimes in the Relationship between Interest Rates and Inflation: A Threshold Cointegration Approach*

Yunus AKSOY, Tomasz PISKORSKI.  
*U.S. Fiscal Indicators, Monetary Policy, Inflation and Output*

Joe PEEK, Geoffrey M.B. TOOTELL, Eric S. ROSENGREN  
*Identifying the Macroeconomic Effect of Loan Supply Shocks*

**Session 5: Energy and Environment** (Floor R, Ballroom B)

Chair: Ton MANDERS

Liwayway G. ADKINS, Richard F. GARBACCIO  
*Simulating the Effects of the FTAA on Global Carbon Emissions: A General Equilibrium Analysis*

Wiepke WISSEMA, Alan MATTHEWS  
*Modelling Climate Change Policy in Ireland: A CGE Approach*

Johannes BOLLEN, Ton MANDERS, Paul TANG  
*The Kyoto Protocol and EU Competitiveness*

**Session 6: Pension Reform** (Floor R, Ballroom C)

Chair: Pierre Yves HENIN

Christian GAGGERMEIER, Bernd LUCKE  
*Pension Systems and Population Growth: An Overlapping-Generations Model with Endogenous Birth Rates*

Maria LLOP, Antonio MANRESA  
*The Economic Effects of Social Security Contributions under Alternative Tax Incidence Assumptions: A General Equilibrium Analysis for Catalonia*

P.Y. HENIN, Th. WEITZENBLUM  
*Welfare Effects of Alternative Pension Reforms: Assessing the Transition Costs for French Socio-Occupational Groups*

**Session 7: Growth and Fiscal Policy** (Floor R, Room R23)

Chair: Durmuş ÖZDEMİR

Tatiana FIC, Chetan GHATE  
*Economic Growth and the Welfare State: A Model of Breaks and Starts*

Ali BAYAR, Peter CORNELISSE, Paul DE BOER, Piet LESUIS, Cristina MOHORA,  
Peter VAN DER HOEK  
*Fiscal Adjustment and Macroeconomic Performance in Romania*

Durmuş ÖZDEMİR  
*Growth, Infrastructure and Fiscal Policy*

**15:30 – 16:00 Refreshment Break**

**16:00 – 18:00 Parallel Sessions****Session 1: Agriculture** (Floor M, Room M30)

Chair: İrfan CIVCIR

Ignacio PEREZ, Christine WIECK, Wolfgang BRITZ  
*New Challenges for the European Agriculture: Modelling Agricultural Reform under the New WTO Proposals*

Antoine BOUËT, Jean-Christophe BUREAU, Yvan DECREUX, Sébastien JEAN  
*Is Northern Agricultural Liberalization Beneficial to Developing Countries?*

David LABORDE, Jacques LE CACHEUX  
*Price and Welfare Effects of Agricultural Liberalization with Imperfect Competition in Food Industries and Trade*

Antoine BOUËT, Estelle DHONT-PELTRAULT  
*An Assessment of the Distributional Impact of Agricultural Trade Policies in the Triad*

**Session 2: Trade and Growth** (Floor M, Room M31)

Chair: Durmuş ÖZDEMİR

Marta BENGOA, Blanca SANCHEZ-ROBLES  
*Does Foreign Direct Investment Promote Growth? Recent Evidence from Latin America*

Joffrey MALEK MANSOUR  
*Trade Openness and Growth: Does Sector Specialization Matter?*

Oscar AFONSO, Alvaro AGUIAR  
*Non-Scale Effects of North-South Trade on Economic Growth*

Utku UTKULU, Durmuş ÖZDEMİR  
*Does Trade Liberalization Cause a Long Run Economic Growth in Turkey? Cointegration and Causality Evidence*

**Session 3: Turkish Economy** (Floor M, Room M32)

Chair: Paul DE BOER

Ibrahim TUTAR, Aysıt TANSEL  
*Political Business Cycles and Power Dispersion in Turkey: Can the Coalitions be Successful?*

Çağla ÖKTEN, Peren ARIN  
*How Does Privatization Affect Efficiency, Productivity and Technology Choice? Evidence from Turkey*

İsmail H. GENÇ, Hasan ŞAHİN, Selahattin BEKMEZ  
*Is Turkish Electorate Homo-economicus?*

Serdar DALKIR, Ekrem KALKAN  
*Application of the Proportionality-Calibrated AIDS Model to Predicting Potential Welfare Effects of Mergers between Fertilizer Sellers as Part of the Turkish Privatization Program*

**Session 4: European Monetary Policy** (Floor R, Ballroom A)

Chair: Carlos MARTINEZ-MONGAY

Rafaela PIZARRO-BARCELÓ  
*The Bank Credit Channel and the Asymmetric Effects of Monetary Policy*

Miguel LEBRE DE FREITAS  
*Currency Substitution and Money Demand in Euroland*

Frédérique SIBI  
*The European Central Bank Behaviour and the Asset Prices Evolution*

Libero MONTEFORTE and Stefano SIVIERO  
*Aggregate Vs. Disaggregate Euro-Area Macro-Modelling*

**Session 5: Trade Policy** (Floor R, Ballroom B)

Chair: Knud MUNK

Katsuhiko SAITO, Konomi SAITO  
*Piecemeal Trade Liberalization on Agriculture - Theoretical and AGE based Simulation Analysis*

Denise Eby KONAN, Karl E. KIM  
*Beyond Border Barriers: The Liberalization of Services Trade in Tunisia and Egypt*

Fritz BREUSS  
*WTO Dispute Settlement in Action: An Economic Analysis of four EU-US Mini Trade Wars*

Knud J. MUNK  
*Administrative Costs and Optimal Diversions from Free Trade in a Small Open Economy*

**Session 6: Labor Market** (Floor R, Ballroom C)

Chair: Güzin ERLAT

Koen BURGGRAEVE, Philip DU CAJU  
*How Do Reference Values for Wages and Wage-Indexing Influence the Impact of Labour Tax Reductions?*

Francois BOURGUIGNON, Chor-ching GOH  
*Trade and Labor Market Vulnerability in Indonesia, Korea, and Thailand*

Martine RUTTEN, Adam BLAKE, Geoffrey REED  
*The Economic Impact of Health Provision: A Preliminary CGE Assessment for the UK*

Güzin ERLAT, Haluk ERLAT  
*Intra-Industry Trade and Labour Market Adjustment in Turkey*

**Session 7: TROLL: Software Demonstration** (Floor R, Room R23)

**20:00 – 23:00 Boat Cruise and Dinner on the Bosphorus**  
**Departure from the hotel by coach at 20:00 to the boat Semiramis at the Kabatas Harbor.**

## **Saturday, July 5<sup>th</sup>:**

### **09:00 – 11:00 Plenary Session III, Policy Panel on European Enlargement and Turkey**

(Room: Conrad Ballroom, Floor R)

Chair: Dr. André DRAMAIS, European Commission

Prof. Asaf Savas AKAT, Istanbul Bilgi University  
 Prof. Taner BERKSOY, Istanbul Bilgi University  
 Prof. Merih CELASUN, Bilkent University  
 Dr. Carlos MARTINEZ, European Commission

### **11:00 – 11:30 Refreshment Break**

### **11:30 – 13:00 Parallel Sessions**

#### **Session 1: Growth and Technology** (Floor M, Room M30)

Chair: Karl FARMER

Hülya ÜLKÜ  
*R&D, Invention and Economic Growth: An Empirical Analysis*

Reyer GERLAGH, Wietze LISE  
*Induced Technological Change under Carbon Taxes*

Frank C. WYKOFF  
*Obsolescence in Economic Depreciation from the Point of View of the Revaluation Term*

#### **Session 2: Regional Modeling** (Floor M, Room M31)

Chair: Eduardo HADDAD

Eugene VERKADE, Wouter VERMEULEN  
*A Regional Labour Market Model for The Netherlands*

Eduardo HADDAD, Edson DOMINGUES  
*Interstate Trade and Regional Development: An Interregional CGE Approach*

M. Carmen LIMA, M. Alejandro CARDENETE, José VALLÉS FERRER  
*A Structural Analysis of Andalusian Economy using Social Accounting Matrices: 1990-1999*

#### **Session 3: General Equilibrium Modeling** (Floor M, Room M32)

Chair: Alejandro CARDENETE

Holger SEEBENS, Peter WOBST  
*Social and Individual Costs of Child Labor*

David LABORDE, Sophie TARASCOU, Anne YAPAUDJIAN-THIBAUT  
*Economic Effects of the Doha Development Agenda: A CGE Simulation Analysis*

Peter EGGER, Mario LARCH, Michael PFAFFERMAYR  
*On the Welfare Effects of Trade and Investment Liberalization*

**Session 4: Macroeconometric Modeling** (Floor R, Ballroom A)

Chair: Jean Louis BRILLET

Marilyne HUCHET-BOURDON  
*Inflation and the Real Effects of Monetary Policy*

Lorenzo POZZI  
*Imperfect Information and the Excess Sensitivity of Private Consumption to Government Expenditures*

Costas KARFAKIS, Moïse SIDIROPOULOS, Jamel TRABELSI  
*Testing for the Borrowed Credibility Hypothesis: Theory and Evidence from the French Disinflation Strategy*

**Session 5: Energy and Environment** (Floor R, Ballroom B)

Chair: Knud MUNK

José A. SCARAMUCCI, Clovis PERIN, Petronio PULINO, Orlando F. J. G. BORDONI, Marcelo P. da CUNHA, Luís A. B. CORTEZ  
*Energy from Sugarcane Bagasse under Electricity Rationing in Brazil: A Computable General Equilibrium Model*

Ali BAYAR, Paul DE BOER, Frédéric DRAMAIS, Cristina MOHORA, Masudi OPESE  
*Regional Impacts of Environmental Policies: A Modeling Exercise for Belgium*

Esther VELÁZQUEZ ALONSO  
*An Input-Output Model of Water Consumption: Analysing Intersectoral Water Relationships in Andalusia*

**Session 6: Finance** (Floor R, Ballroom C)

Chair: Pavlos KARADELOGLOU

Victor MENDES, Margarida ABREU  
*Do Macro-Financial Variables Matter for European Bank Interest Margins and Profitability?*

Richard BARNETT and Saltuk ÖZERTÜRK  
*Secrecy versus Selective Disclosure in Sterilized Foreign Exchange Interventions*

Rumi MASIH, Sanjay PETERS  
*Oil Price Volatility and Stock Price Fluctuations in an Emerging Market: Evidence from South Korea*

**Session 7: Forecasting** (Floor R, Room R23)

Chair: Carlos MARTINEZ-MONGAY

Khusnia MURADOVA, Sergey CHEPEL, Ravshan GULYAMOV, Marina KATANOVA, Lola VAKHIDOVA  
*The Experience of Uzbekistan in Building of Equilibrium Econometric Model for Macroeconomic Analysis and Forecasting*

Michel MOUCHART, Jeroen V.K. ROMBOUTS  
*Clustered Panel Data Models: An Efficient Approach for Nowcasting from Poor Data*

Salvatore J. TERREGROSSA  
*On the Efficacy of Constraints on the Linear Combination Forecast Mode*