Program of the 2001 (V) Meeting of "The Society for the Advancement of Economic Theory"

Ischia, Italy, July 2-8, 2001
Hotel Continental Terme

The fifth Meeting of *The Society for the Advancement of Economic Theory* took place at the Hotel Continental Terme on the island of Ischia, in Naples' gulf, Italy. Two hundred and seventy participants attended the meeting.

International Scientific Committee

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Social Program

– *Wednesday, July 4, 2001*
  Visit to Perrazzo winery: One of the most famous wine producers in Ischia.
  Also, a visit to the ancient roman wine cellars with a detailed description
  of the activity and tasting of the typical wines and liqueurs of the island of
  Ischia.
– *Thursday, July 5, 2001*
  Social dinner at the Ristorante del Parco – in the gardens of the Hotel Continental Terme.
– *Friday, July 6, 2001*
  Excursion by boat around Ischia: Ischia Porto, Casamicciola, Lacco Ameno,
  Forio, S. Angelo, Maronti, Ischia Ponte (with the beautiful Aragons Castle).
  Two stops for swimming during the tour and lunch at fischers' village of S.
  Angelo.

Sessions

Monday, July 2, 2001

Time	Session	Chair
09:45 – 11:00	Opening and Professor Nash's talk	A. Basile and C. D. Aliprantis
11:30 – 13:00	Axiomatics of resource allocations Incomplete markets	S. Papai M. R. Pascoa
14:30 – 16:30	Economies with differential information Monetary economics	N. C. Yannelis G. Camera
17:00 – 19:00	Economies with differential information Monetary economics	N. C. Yannelis G. Camera

Tuesday, July 3, 2001

Time	Session	Chair
08:30 – 10:30	Incomplete markets in macroeconomics Markets and games	A. Bisin and P. Gottardi L. C. Koutsougeras
11:00 – 13:00	Incomplete markets in macroeconomics Markets and games General economics I	A. Bisin and P. Gottardi L. C. Koutsougeras J. Moore
14:30 – 16:30	Political economy Experimental economics Asset pricing and financial markets	M. Jackson C. Noussair J. Werner
17:00 – 19:00	Political economy Economic theory and applications	M. Jackson M. Florenzano

Wednesday, July 4, 2001

Time	Session	Chair
08:30 – 10:30	Functional analysis and mathematical economics Experimental economics Cooperative game theory	C. D. Aliprantis C. Noussair G. Demange
11:00 – 13:00	Macroeconomics and monetary theory Economic theory and applications Bounded rationality in economics	B. Paal M. Li Calzi M. Bernasconi
14:30 – 16:30	Strategic communication Imperfect competition General economics II	F. Forges E. Dierker and B. Grodal A. Alkan
17:00 – 19:00	Strategic communication Imperfect competition Bounded rationality in economics	F. Forges E. Dierker and B. Grodal M. Bernasconi

Thursday, July 5, 2001

Time	Session	Chair
08:30 – 10:30	Cooperative game theory International trade	G. Demange R. Riezman
11:00 – 12:00	Decision theory International trade Incomplete markets	L. Epstein and M. Marinacci R. Riezman M. R. Pascoa
12:00 – 13:00	Decision theory Axiomatics of resource allocations Incomplete markets	L. Epstein and M. Marinacci B. Klaus M. R. Pascoa

Time	Session	Chair
14:30 – 16:30	Economics of relative position General equilibrium Topics in monetary and fiscal policy	L. Samuelson Y. Balasko A. P. Villamil
17:00 – 18:00	Economics of relative position General equilibrium Topics in monetary and fiscal policy	L. Samuelson Y. Balasko A. P. Villamil
18:00 – 19:00	General economics III General equilibrium Topics in monetary and fiscal policy	D. Tsomocos Y. Balasko A. P. Villamil

Saturday, July 7, 2001

Time	Session	Chair
08:30 – 10:30	Logic and economics Corporate finance: theory Choice and aggregation theory	M. Kaneko M. Pagano F. Aleskerov
11:00 – 13:00	Dynamical systems and economics Mathematical models in finance Choice and aggregation theory	L. Montrucchio V. Vespri F. Aleskerov
14:30 – 16:30	Dynamical systems and economics Mathematical models in finance Industrial organization	L. Montrucchio V. Vespri D. Kovenock
17:00 – 19:00	Asset pricing and financial markets Applied corporate finance Industrial organization	J. Werner M. Pagano D. Kovenock

Sunday, July 8, 2001

Time	Session	Chair
08:30 – 10:30	Expectation formation and rational beliefs Mathematical economics	M. Kurz B. Cornet
11:00 – 12:00	Expectation formation and rational beliefs Mathematical economics	M. Kurz B. Cornet
12:00 – 12:30	Professor Malinvaud's talk	M. Kurz

Presentations

Opening lecture: J. F. Nash, Jr.: *Equilibria in bargaining games*
Closing lecture: E. Malinvaud: *Why is formalized economic theory on the defensive these days?*

Asset Pricing and Financial Markets

Chair: J. Werner

- E. Castagnoli (U Bocconi, Milano, Italy), **F. Maccheroni** (U Bocconi Milano, Italy; fabio.maccheroni@uni-bocconi.it) and M. Marinacci (U Torino, Italy): *Insurance premia consistent with the market*
- **V. Boehm** (U Bielefeld, Germany; vboehm@wiwi.uni-bielefeld.de) and C. Chiarella (U Sydney, Australia): *Mean variance preferences, expectations formation, and the dynamics of random asset prices*
- **R. A. Dana** (U Paris IX, France; dana@ceremade.dauphine.fr): *Stochastic dominance, risk, dispersion and equilibrium asset pricing*
- **J. Werner** (U Minnesota, USA; jwerner@atlas.socsci.umn.edu): *Unconditional multiperiod factor pricing*
- **C. Hara** (U Cambridge, UK; ch201@econ.cam.ac.uk): *Informativeness of security prices of linear rational expectations equilibrium in incomplete markets*
- **L. Montrucchio** (U Torino, Italy; luigi.montrucchio@econ.unito.it): *Optimality conditions and bubbles in stochastic sequential economies with heterogeneous agents*

Axiomatics of Resource Allocation

Chair: S. Papai and B. Klaus

- **L. Ehlers** (U Montreal, Canada and Maastricht U, The Netherlands; L.Ehlers@KE.unimaas.NL): *Monotonic and implementable solutions in generalized matching problems*
- **B. Klaus** (U Nebraska, USA; bklaus@unl.edu): *Uniform probabilistic rules*
- **S. Papai** (U Lisbon, Portugal; spapai@fe.unl.pt): *The existence of stable hedonic coalitions*
- **T. Sonmez** (Koc U, Turkey; tsonmez@ku.edu.tr) and U. Unver (Koc U, Turkey): *House allocation with existing tenants: An equivalence*
- **M. Jackson** (Caltech, USA; Jacksonm@hss.caltech.edu) and A. Nicolo (U Padova, Italy): *Public goods and congestion*

Bounded Rationality in Economics

Chair: M. Bernasconi

- **M. Gilli** (U Bocconi and U Bari, Italy; mario.gilli@uni-bocconi.it): *Rational learning in imperfect monitoring games*
- A. Bosch-Domenech (UC Davis, USA) and **N. J. Vriend** (Queen Mary U London, UK; N.Vriend@qmw.ac.uk): *Imitation of successful behavior in Cournot markets*

- **A. M. Colman** (U Leicester, UK; amc@le.ac.uk), J. Park (U Leicester, UK) and J. Stirk (U Leicester, UK): *Non-standard reasoning in games: Evidence for the Stackelberg heuristic*
- **A. M. Colman** (U Leicester, UK; amc@le.ac.uk) and J. Park (U Leicester, UK): *Co-team reasoning: An experimental investigation*
- **J. Wenzelburger** (U Bielefeld, Germany; jwenzelb@wiwi.uni-bielefeld.de): *Heterogeneous beliefs in financial markets economies with endogenous random asset prices*
- **Y. Amiel** (Ruppin Institute, Israel; yoram_a@ruppin.ac.il) and F. Cowell (LSE, UK): *Attitude towards risk and inequality: A questionnaire-experimental approach*

Choice and Aggregation Theory

Chair: F. Aleskerov

- **A. Laruelle** (U del Pais Vasco, Spain; elxlaxxa@bsdx01.bs.ehu.es) and F. Valenciano (U del Pais Vasco, Spain): *A probabilistic re-foundation of voting power measures*
- B. Kaymak (Bogazici U, Turkey) and **M. R. Sanver** (Bilgi U, Turkey; sanver@veezy.com): *Sets of alternatives as condorcet winners*
- **G. Laffond** (Conservatoire National des Artes et Meiers, France; laffond@vcnam.cnam.fr) and J. Laine (CREST-LSM, Bruz, France): *Condorcet choice, scoring rules and the Ostrogorski paradox*
- **V. Merlin** (U Caen, France; merlin@criuc.unicaen.fr) and F. Valognes (U Namur, Belgium): *Does indifference matter?*
- **B. Monjardet** (U Paris I, France; monjarde@univ-paris1.fr) and V. Raderanirina (U Paris I, France): *Lattices of choice functions*
- **B. Peleg** (Hebrew U, Israel; pelegba@math.huji.ac.il) and E. Winter (Hebrew U, Israel): *Constitutional implementation*
- **N. Schofield** (Washington U St. Louis, USA; schofld@wueconc.wustl.edu) and I. Sened (Washington U St. Louis, USA): *Local Nash equilibrium in multiparty politics*
- **F. Aleskerov** (Bogaziçi U, Turkey; aleskero@boun.edu.tr): *Binary representation of choice with additive error*

Cooperative Game Theory

Chair: G. Demange

- S. Barberà (U Autonoma Barcelona, Spain) and **A. Gerber** (U Zurich, Switzerland; agerber@iew.unizh.ch): *On coalition formation: Durable coalition structures*
- **H. Cres** (HEC Paris, France; Cres@HEC.fr) and M. Tvede (U Copenaghen, Denmark): *Proxy fights in incomplete markets: When majority voting and side-payments are equivalent*

- **G. Demange** (Delta Paris, France; demange@delta.ens.fr): *On stability and incentives in hierarchies*
- **J. L. Hougaard** (U Copenhagen, Denmark; Leth.Hougaard@econ.ku.dk), B. Peleg (Hebrew U, Israel) and L. P. Osterdal (U Copenhagen, Denmark): *The Dutta-Ray solution on the class of convex games: A generalisation and its monotonicity properties*
- **Ö. Kibris** (CORE, Belgium; kibris@core.ucl.ac.be): *Ordinalism and egalitarianism in bargaining*
- **J. Rosenmüller** (U Bielefeld, Germany; imw@wiwi.uni-bielefeld.de) and P. Sudhölter: *Cartels, the modiclus and the contested garment game*
- **J. Morgan** (U Federico II Naples, Italy; morgan@unina.it): *Stability of the core for cooperative games without transferable utility under perturbations*

Corporate Finance

Chair: M. Pagano

- S. Brusco (U Carlos III, Madrid, Spain) and **F. Panunzi** (U Bocconi and CEPR; Italy; fausto.panunzi@uni-bocconi.it): *Reallocation of corporate resources and managerial incentives in internal capital markets*
- **P. Fulghieri** (INSEAD and CEPR, France; Paolo.FULGHIERI@insead.fr) and M. Sevilir (INSEAD, France): *Competition and the onwnership of innovation*
- **D. Gromb** (MIT, USA and CEPR, France; dgromb@MIT.EDU) and D. Vayanos (MIT, USA): *Equilibrium and welfare in markets with financially constrained arbitrageurs*
- M. Pagano (U Salerno, Italy and CEPR, France) and **P. Volpin** (London Business School, UK; pvolpin@london.edu): *Managers, workers, and corporate rents*
- M. Bennouri (Ecole Politechnique de Tunisia, Tunisia) and **S. Falconieri** (U Amsterdam, The Netherlands; sfalconieri@fee.uva.nl): *Price versus quantity discrimination in optimal IPOs*
- A. Brav (Duke U, USA), **F. Cornelli** (Duke U, LBS and CEPR, USA; FCornelli@lbs.ac.uk cornelli@wharton.upenn.edu) and J. B. Heaton (Bartlit Beck Herman Palenchar & Scott, Chicago, and Duke U, USA): *Price manipulation in the presence of heterogeneous agents and short sales constraints*
- **A. Ellul** (London School of Economics, UK; A.Ellul1@lse.ac.uk) and M. Pagano (CSEF, U Salerno and CEPR, Italy): *IPO underpricing and aftermarket liquidity*
- **L. Guiso** (U Sassari, Italy; guiso@tin.it) and L. Pistaferri (Stanford U, USA): *Insurance within the firm*

Decision Theory

Chair: M. Marinacci and L. Epstein

- **C. Bevia** (U Autonoma Barcelona, Spain; bevia@uab.es) and S. Barberà (U Autonoma Barcelona, Spain): *Self-selection consistent functions*
- **P. Ghirardato** (Caltech, USA; paolo@hss.caltech.edu), F. Maccheroni (U Bocconi, Milano, Italy), M. Marinacci (U Torino, Italy) and M. Siniscalchi (Princeton U, USA): *A subjective spin on roulette wheels*
- **M. Mandler** (U London, UK; M.Mandler@rhbnc.ac.uk): *Compromises between cardinality and ordinality in preference theory and social choice*
- L. Epstein (U Rochester, USA) and **M. Schneider** (UCLA, USA; martin@econ.ucla.edu): *Learning under ambiguity*

Dynamical Systems and Economics

Chair: M. Montrucchio

- **L. C. Corchon** (U Carlos III Madrid, Spain; lcorchon@eco.uc3m.es): *An Example of the dynamics of organizations*
- L. Mirman (U Virginia, USA) and **K. Shenk-Hoppe** (U Zurich, Switzerland; klaus@iew.unizh.ch): *Financial contracts and stochastic growth*
- T. Mitra (Cornell U, USA), L. Montrucchio (U Torino, Italy) and **F. Privileggi** (U Eastern Piedmont, Italy; fabio.privileggi@unipmn.it): *The nature of the steady state in models of optimal growth under uncertainty*
- **R. van der Weide** (U Amsterdam, The Netherlands; rvdweide@fee.uva.nl): *Evolutionary dynamics in a simple asset pricing model with a continuum of belief types*
- **M. Eboli** (Seconda U Napoli, Italy; eboli@stoa.it): *Measuring systemic risk: A graph-theoretic approach*
- **O. Morand** (U Connecticut, USA; morand@uconvm.uconn.edu), L. Mirman (U Virginia, USA) and K. Reffett (Arizona State U, USA): *Monotone comparative analysis for infinite horizon economies with taxes and externalities: The homogeneous agent case*

Economics of Relative Position

Chair: L. Samuelson

- **M. Bernasconi** (U Insubria, Italy; mbernasconi@eco.uninsubria.it): *Why to people evade taxes? Tax evasion and relative income*
- A. Agrawal (U Alabama, USA), C. R. Knoeber (North Carolina State U, USA) and **T. Tsoulouhas** (North Carolina State U, USA; fanis_tsoulouhas@ncsu.edu): *Contests to become CEO*
- **E. Hopkins** (U Edinburgh, UK; e.hopkins@ed.ac.uk) and T. Kornienko (U Pittsburgh, USA): *Consumer choice as a game of status*

- G. Mailath (U Pennsylvania, USA) and **A. Postlewaite** (U Pennsylvania, USA; apostlew@econ.upenn.edu): *Social assets*
- **L. Samuelson** (U Wisconsin, USA; larrysam@ssc.wisc.edu): *Information-based relative consumption effects*
- **D. Friedman** (U California Santa Clara, USA; dan@cats.ucsc.edu) and J. Yellin: *The dynamics of conspicuous consumption*

Economic Theory and Applications I

Chair: M. Florenzano

- **K. Podczeck** (U Vienna, Austria; Konrad.Podczeck@univie.ac.at): *Further results about core-Walras (non-) equivalence for economies with a large commodity space*
- **S. D. Cauley** (UCLA, USA; scauley@agsm.ucla.edu) and A. Pavlov (Simon Fraser U, Canada): *Negative demand shocks and the bid/ask spread for real estate*
- **R. Valkanov** (UCLA, USA; rossen.valkanov@anderson.ucla.edu): *Boundaries of predictability: Noisy predictive regressions*

Economic Theory and Applications II

Chair: M. Li Calzi

- **W. Trockel** (U Bielefeld, Germany; wtrockel@wiwi.uni-bielefeld.de): *An axiomatization of the sequential Raiffa solution*
- **A. Alkan** (Sabanci U, Turkey; alkan@sabanciuniv.edu) and D. Gale (UC Berkeley, USA): *Stable schedule matching under revealed preference*
- **E. Malinvaud** (CREST, France): *The role of microeconomics heterogeneity in macroeconomics*
- **A. Skrzypacz** (Stanford U, USA; Andy@gsb.stanford.edu) and H. A. Hopenhayn (U Rochester, USA and U di Tella, Italy): *Bidding rings in repeated auctions*

Economies with Differential Information

Chair: N. C. Yannelis

- D. Glycopantis (City U-London, UK), A. Muir (City U-London, UK) and **N. C. Yannelis** (U Illinois at Urbana-Champaign, USA; nyanneli@uiuc.edu): *An extensive form interpretation of the private core*
- S. Krasa (U Illinois at Urbana-Champaign, USA) and **W. J. Shafer** (U Illinois at Urbana-Champaign, USA; w-shafer@cba.uiuc.edu): *Core concepts in economies where information is almost complete*

- **E. Balder** (U Utrecht, The Netherlands; balder@uiuc.edu) and N. C. Yannelis (U Illinois at Urbana-Champaign, USA): *Continuity properties of the private core*
- **F. Forges** (THEMA, U Cergy-Pontoise and Inst U de France, Paris, France; forges@u-cergy.fr), J. F. Mertens (CORE, Belgium) and R. Vohra (Brown U, USA): *The ex ante incentive compatible core in the absence of wealth effects*
- **R. McLean** (U Rutgers, USA; rpmclean@rci.rutgers.edu) and A. Postlewaite (U Pennsylvania, USA): *Informational size, incentive compatibility and the core of a game with incomplete information*
- E. Einy (U Ben Gurion, Israel), D. Moreno (U Carlos III Madrid, Spain) and **B. Shitovitz** (U Haifa, Israel; binya@econ.haifa.ac.il): *Information advantage in Cournot oligopoly*
- **A. Rustichini** (U Minnesota, USA; raldo@bu.edu): *Information aggregation and learning in large games*
- **R. Gary-Bobo** (U Cergy-Pontoise, France; Robert.Gary-Bobo@eco.u-cergy.fr): *Education, distributive justice and asymmetric information*

Expectation Formation and Rational Beliefs

Chair: M. Kurz

- **M. Motolese** (U Cattolica Milano, Italy; maurizio.motolese@mi.unicatt.it): *Endogenous uncertainty and the non-neutrality of money*
- **C. K. Nielsen** (U Copenhagen, Denmark; CarstenKNielsen@excite.com): *Stabilizing Pareto improving policies in an OLG model with incomplete markets: The rational expectations and rational beliefs case*
- **H. M. Wu** (National U Taiwan, Taiwan; homouwu@ccms.ntu.edu.tw): *Effects of speculation on asset prices and trading volume in a large economy*
- **M. Garmaise** (U Chicago, USA; fmgarmai@gsbfac.uchicago.edu): *Beliefs, assets and organizations*
- **V. Chernozhukov** (MIT, USA; vchern@mit.edu) and S. Morozov (Stanford U, USA): *Econometric evaluation of rational beliefs*
- **H. Nakata** (U Tokyo, Japan; hiroyuki-nakata@fintec.co.jp): *The expert opinion and agent's beliefs*

Experimental Economics

Chair: C. Noussair

- J. Morgan (Princeton U, USA), H. Orzen (U Nottingham, UK), and **M. Sefton** (U Nottingham, UK; Martin.Sefton@nottingham.ac.uk): *An experimental study of price dispersion*
- **N. Vriend** (Queen Mary U London, UK; N.Vriend@qmw.ac.uk): *Saying it with a smile: Can secret handshakes enhance coordination?*

- **J. R. Tyran** (U St. Gallen; Jean-Robert.Tyran@unisg.ch): *Why people obey the law: Experimental evidence from the provision of public goods*
- **T. Cason** (Purdue U, USA; cason@mgmt.purdue.edu): *Bounded rationality in laboratory bargaining with asymmetric information*
- **C. R. Plott** (Caltech, USA; cplott@hss.caltech.edu), C. Anderson (Caltech, USA) and K.-I. Shimomura (Kobe U, Japan): *Stability in Experimental Markets*
- **U. Unver** (Koc U, Turkey; uunver@ku.edu.tr): *On the survival of some unstable two-sided matching mechanisms: A laboratory investigation*
- C. Meidinger (U Paris 1, France), J. L. Rullière (U Lumiere Lyon 2, France) and **M. C. Villeval** (U Lumiere Lyon 2, France; villeval@gate.cnrs.fr): *Does team-based compensation give rise to problems when agents vary in ability?*
- **C. Noussair** (Purdue U, USA; noussair@mgmt.purdue.edu): *Procurement of NASA missions: A laboratory experiment*

Functional Analysis and Mathematical Economics

Chair: C. D. Aliprantis

- **Y. A. Polyrakis** (National Technical U Athens, Greece; ypoly@math.ntua.gr): *Minimum-cost insurance in C(Ω)*
- **M. Florenzano** (U Paris 1, France; monique.florenzano@univ-paris1.fr) P. Gourdel (U Paris1, France) and A. Jofré (U Chile at Santiago, Chile): *Decentralizing weakly Pareto optimal allocations in infinite dimensional nonconvex economies*
- **N. Papanastassiou** (U Athens, Greece; npapanas@cc.uoa,gr): *New notions of order convergence in vector lattices*
- A. Basile (U Naples, Italy) and **M. G. Graziano** (U Calabria, Italy; graziano@unical.it): *Core equivalence with restricted coalitions in finitely additive economies*

General Economics I

Chair: J. Moore

- **J. Moore** (Purdue U, USA; moorej@mgmt.purdue.edu): *Real national income and some principles of aggregation*
- B. Z. Orbay (Istanbul Technical U, Turkey) and **H. Orbay** (Sabanci U, Turkey; hakan@sabanciuniv.edu): *Imperfect competition and incentives for bundling*
- **B. Jerez** (U Autonoma Barcelona, Spain; Belen.Jerez@uab.es): *A dual characterization of incentive efficiency*
- **J. I. Conde-Ruiz** (EUI Florence, Italy; j.conde@iue.it): *Early retirement*

General Economics II

Chair: A. Alkan

- **A. E. G. Kara** (Bogaziçi U, Turkey; aycakara@ixir.com) and M. Sertel (Bogaziçi U, Turkey): *Does majoritarian optimality matter in selecting a social choice rule?: An exploratory panel study*
- **J. Davila** (U Pennsylvania, USA; davilaj@ssc.upenn.edu): *Multiplicity, instability and sunspots: The game-theoretic counterpart*
- E. Allevi (U Cattolica Milano, Italy) and **M. E. Zuanon** (U Cattolica Milano, Italy mzuanon@mi.unicatt.it): *Generalized monotonicity of individual demand*
- **E. P. Avgerinos** (Aegean U, Rhodos, Greece; eavger@rhodes.aegean..gr): *On a sensitivity result for an optimal economic growth system*

General Economics III

Chair: D. Tsomocos

- **S. Brams** (New York U, USA; steven.brams@nyu.edu) and D. King: *Efficient fair division: help the worst off or avoid envy?*
- **P. Montana** (U La Sapienza Roma, Italy; montana@univ-paris1.fr): *A convex anlaysis representation of no-arbitrage prices*

General Equilibrium

Chair: Y. Balasko

- S. Crockett (Carnegie-Mellon U, USA), **S. Spear** (Carnegie-Mellon U, USA; ss1f@andrew.cmu.edu) and S. Sunder (Yale U, USA): *Learning competitive equilibrium*
- H. Crès (HEC, France) and **M. Tvede** (U Copenhagen, Denmark; mich.tvede@econ.ku.dk): *Voting in assemblies of shareholders and incomplete markets*
- **A. Citanna** (HEC, France; citanna@wanadoo.fr): *Transaction costs and taxes on asset trades*
- E. Karni (John Hopkins U, USA) and **Z. Safra** (U Tel Aviv, Israel; safraz@post.tau.ac.il): *An extension of a theorem of von Neumann and Morgenstern with an application to social choice theory*
- **Y. Balasko** (Carnegie-Mellon U, USA; yves@balasko.com): *A general equilibrium model of the electricity wholesale market*
- **M. Chiarolla** (U La Sapienza Roma, Italy; mchiar@scec.eco.uniroma1.it) and U. Haussmann (UBC, Canada): *A stochastic equilibrium economy with optimal capacity expansion*
- V. Vasilev (kademgorodok) and **H. Wiesmeth** (Technische U Dresden, Germany; wiesmeth@Rcs1.urz.tu-dresden.de): *Efficiency results for mixed economies of Arrow-Debreu type*

- **S. Modica** (U Palermo, Italy; modica@unipa.it): *Buy or sell, trading equilibrium*

Imperfect Competition

Chair: B. Grodal and E. Dierker

- **G. Giraud** (U Louis Pasteur, France; giraud@cournot.u-strasbg.fr): *Efficiency and imperfect competition with incomplete markets*
- **J. Thisse** (CORE, Belgium; thisse@core.ucl.ac.be): *Agglomeration and trade revisited*
- **E. Dierker** (U Vienna, Austria; egbert.dierker@univie.ac.at), H. Dierker (U Vienna, Austria) and B. Grodal (U Copenhagen, Denmark): *Objectives of an imperfectly competitive firm: A surplus approach*
- **J. F. Mertens** (CORE, Belgium; jfm@core.ucl.ac.be): *Some examples on the objective of the firm*
- C. Hervés-Beloso (U de Vigo, Spain) and **E. Moreno-García** (U Salamanca, Spain; emmam@gugu.usal.es): *Strategic equilibria with partially disposable withholdings*

Incomplete Markets

Chair: M. R. Pascoa

- F. Kubler (Stanford U, USA) and **K. Schmedders** (Northwestern U, USA; k-schmedders@kellogg.northwestern.edu): *Asset pricing in models with incomplete markets, default and collateral*
- **A. Villanacci** (U Firenze, Italy) and U. Zenginobuz (Bogazici U, Turkey): *Private provision of a public good in a general equilibrium model*
- **A. Citanna** (HEC Paris, France; CITANNA@hec.fr), H. Polemarchakis (Brown U, USA) and M. Tirelli (CORE, Belgium): *Taxation of asset trades*
- **T. Momi** (U Tokyo, Japan; momimomi@grad.e.u-tokyo.ac.jp): *Excess demand functions with incomplete markets: A global result*
- M. Datta (Arizona State U, USA), L. Mirman (U Virginia, USA), O. Morand (U Connecticut, USA) and **K. Refett** (Arizona State U, USA; kevin.reffett@asu.edu): *Order-based geometrical methods for distorted infinite horizon multiagent economies with capital and market incompleteness*
- **T. Krebs** (Brown U, USA; Tom_Krebs@brown.edu): *On the non-existence of recursive equilibria when markets are incomplete*
- A. Araujo (IMPA, Brazil) and **M. R. Pascoa** (U Nova Lisboa, Portugal; pascoa@fe.unl.pt): *Collateral avoids ponzi schemes in incomplete markets*

Incomplete Markets in Macroeconomics

Chair: A. Bisin and P. Gottardi

- **A. Rampini** (Northwestern U, USA; rampini@northwestern.edu): *Entrepreneurial activity, risk and the business cycle*
- **A. L. Eisfeldt** (Northwestern U, USA; a-eisfeldt@northwestern.edu): *Endogenous liquidity in asset markets*
- **M. Boldrin** (U Minnesota, USA; mboldrin@econ.umn.edu) and D. Levine (UCLA, USA):*Factor saving innovation*
- D. Krueger (Stanford U, USA) and **F. Kubler** (Stanford U, USA; fkubler@Stanford.edu): *Intergenerational risk sharing: Myth or possibility*
- **D. Krueger** (Stanford U, USA; dkrueger@leland.stanford.edu): *Does income inequality lead to consumption inequality? Evidence and theory*
- **H. Lustig** (Stanford U, USA; hlustig@stanford.edu): *The wealth distribution and aggregate risk in limited enforcement economies*
- E. Luttmer and **T. Mariotti** (LSE, UK and U Toulouse, France; T.Mariotti@lse.ac.uk): *Subjective discounting in an exchange economy*

Industrial Organization

Chair: D. Kovenock

- J. Delgado (U Carlos III Madrid, Spain) and **D. Moreno** (U Carlos III Madrid, Spain; dmoreno@eco.uc3m.es): *Coalition-proof supply function equilibria in oligopoly*
- M. R. Baye (Indiana U, USA), **D. Kovenock** (Purdue U, USA; kovenock@mgtm.purdue.edu) and C. G. de Vries (Erasmus U, The Netherlands): *Comparative analysis of litigation systems: An auction-theoretic approach*
- G. L. Clementi (Carnegie-Mellon U, USA) and **H. A. Hopenhayn** (U Rochester, USA and U Torcuato Di Tella, Argentina; hhopen@attglobal.net): *Dynamic implications of moral hazard: Firm growth and survival*
- **E. Fatás** (U Valencia and LINEEX, Spain; enrique.fatas@uv.es) and J. A. Mañez (U Valencia and LINEEX, Spain): *Do price matching guarantees facilitate higher prices?: An experimental approach*
- I. Chakraborty (U Oklahoma, USA) and **G. Kosmopoulou** (U Oklahoma, USA; georgiak@ou.edu): *Auctions with shill bidding*
- P. Norbäck (Industriens Utredningsinstitut, Sweden) and **L. Persson** (Industriens Utredningsinstitut, Sweden; larsp@iui.se): *Who benefits from cross-border mergers and acquisitions?*
- **M. Baccara** (U Southern California, USA; baccara@marshall.usc.edu) and R. Razin (New York U, USA): *From thought to finish: A bargaining model of the formation of a firm*

International Trade

Chair: R. Riezman

- L. Abrego (IMF), **R. Riezman** (U Iowa, USA; raymond-riezman@uiowa.edu) and J. Whatley (U Westen Ontario, Canada; Warwick U, UK; and NBER, USA): *How often are propositions on the effects of regional trade agreements theoretical curiosa and when should they guide policy?*
- **M. Klimenko** (U California-San Diego, USA; mklimenko@ucsd.edu): *Strategic interoperability standards and trade policy in industries with network externalities*
- S. Baldone (Politecnico di Milano, Italy), F. Sdogati (Politecnico di Milano, Italy) and **L. Tajoli** (Politecnico di Milano, Italy; lucia.tajoli@polimi.it): *International fragmentation of production and the new forms of international division of labor*
- **K. Saggi** (Southern Methodist U, USA; ksaggi@post.cis.smu.edu): *Tariffs and the most favored nation clause*

Logic and Economics

Chair: M. Kaneko

- **M. Kaneko** (U Tsukuba, Japan; kaneko@shako.sk.tsukuba.ac.jp): *False beliefs and decision making*
- **N. Y. Suzuki** (Shizuoka U, Japan; smnsuzu@ipc.shizuoka.ac.jp): *Bounded interpersonal inferences and decision making*
- **O. Board** (Oxford U, UK; oliver.board@economics.ox.ac.uk): *Dynamic reasoning about knowledge and beliefs*
- **N. E. Sofronidis** (U Macedonia, Thessaloniki, Greece; sofnik@otenet.gr): *Under what conditions on a private ownership economy can one assert that there is an equilibrium state?*

Macroeconomics and Monetary Theory

Chair: B. Paal

- **G. Lorenzoni** (MIT, USA; glorenzo@mit.edu): *Excess interest rate volatility in an intermediated system of liquidity provision*
- **B. Paal** (Stanford U, USA; paal@stanford.edu, beatrix.paal@stanford.edu) and K. Wang (Stanford U, USA): *Competition in banking, inflation and optimal monetary policy*
- **L. Kaas** (U Vienna, Austria; leo.kaas@univie.ac.at) and P. Madden (U Manchester, UK): *Imperfectly competitive cycles with Keynesian and Walrasian features*

Markets and Games

Chair: L. C. Koutsougeras

- H. Gersbach (U Heidelberg, Germany) and **H. Haller** (Virginia Polytechnic Institute, USA; haller@vt.edu): *The affectionate society: Does competition for partners promote friendliness?*
- **L. Mirman** (U Virginia, USA; lm8h@cms.mail.virginia.edu), N. Jain (Rice U, USA) and T. D. Jeitschko (Texas A&M, USA): *Financial contracting, signal-jamming and entry deterrence*
- P. Belleflamme (Queen Mary College, UK) and **F. Bloch** (GREQAM, France; bloch@ehess.cnrs-mrs.fr): *Market sharing agreements and collusive networks*
- **E. Diamantoudi** (Aarhus U, Denmark; faye@econ.au.dk) and L. Xue (Aarhus U, Denmark): *Farsighted stability in hedonic games*
- M. O. Bettzüge and **A. Gerber** (Institute for Empirical Research in Economics, Zurich, Switzerland; agerber@iew.unizh.ch): *Evolutionary choice of markets*
- **I. Özkal** (Bogaziçi U, Turkey; ipekozkal@superonline.com) and M. Sertel (Bogazici U and Bilkent U, Turkey; msertel@turk.net): *Manipulability of matching rules via segmentation and rematching*
- G. Laffond (Conservatoire National des Arts et Metiers, France) and **J. Laine** (ENSAI Bruz, France; jlaine@ensai.fr): *Trading countably many indivisibles*
- **G. Caristi** (U Messina, Italy; gcaristi@dipmat.unime.it) and M. Ferrara (U Messina, Italy): *Super-balanced TU games and the pseudo-core: A study concerning one good market game*

Mathematical Economics

Chair: B. Cornet

- **L. Mallozzi** (U Federico II Naples, Italy) and J. Morgan (U Federico II Naples, Italy; morgan@unina.it): *Oligopolies with a leader and a set-valued aggregate Cournot reaction*
- **B. Cornet** (U Paris 1, France; cornet@univ-paris1.fr) and J. P. Medecin (U Paris 1, France): *A version of Fatou's lemma in infinite dimensional spaces*
- **G. B. Mehta** (U Queensland, Australia; g.mehta@economics.uq.edu.au) and G. Bosi (U Trieste, Italy): *Existence of a semicontinuous or continuous utility function: A unified approach and an elementary proof*
- **C. D. Aliprantis** (Purdue U, USA; aliprantis@mgmt.purdue.edu), Y. A. Polyrakis (National Technical U Athens, Greece), and R. Tourky (U Melbourne, Australia): *Minimum-cost portfolio insurance*

Mathematical Models in Finance

Chair: V. Vespri

- **M. Bernaschi** (CNR Rome, Italy; massimo@iac.rm.cnr.it): *A Model for the optimal asset-liability management for insurance companies*
- **F. Corielli** (U Bocconi, Milano, Italy;francesco.corielli@uni-bocconi.it) and M. Marcellino (U Bocconi Milano, Italy): *Index tracking*
- **M. De Donno** (SNS Pisa, Italy; marzia@venus.sns.it) and M. Pratelli (U Pisa, Italy): *Some applications of cylindrical stochastic integration to mathematical finance*
- **G. Redaelli** (U Cattolica Milano, Italy; redaelli@mi.unicatt.it): *The value of the debt and the optimal capital structure of a firm*
- **T. Vargiolu** (U Padova, Italy; vargiolu@math.unipd.it): *Shortfall risk minimization in multinomial models*
- **G. Favero** (U Padova, Italy; favero@math.unipd.it): *Shortfall risk minimization under model uncertainty in the binomial case: Adaptive and robust approaches*
- **A. Battauz** (U Bocconi, Milano, Italy): *Pricing and hedging asset derivatives with discrete stochastic dividends*
- **A. Amadori** (IAC, Roma, Italy):*Option pricing in jump-diffusion markets: A viscosity solution approach*

Monetary Economics

Chair: G. Camera

- **G. Antinolfi** (Washington U St. Louis, USA; gaetano@wueconc.wustl.edu) and T. Keister (ITAM, Mexico): *Monetary stability and liquidity crises: The lender of last resort in a small open economy*
- **A. Berentsen** (U Bern, Switzerland; aleksander.berentsen@vwi.unibe.ch) and G. Rocheteau (U Lausanne, Switzerland): *Money and information*
- **R. Cavalcanti** (Pennsylvania State U, USA; ricardoc@psu.edu): *A monetary mechanism for sharing capital: Diamond and Dybvig meet Kiyotaki and Wright*
- G. Camera (Purdue U, USA), **R. Reed** (U Kentucky, USA; rrreed@pop.uky.edu) and C. Waller (U Kentucky, USA): *Jack of all trades or a master of one?: Specialization, trade and money*
- **T. Temzelides** (U Iowa, USA; Ted-Temzelides@uiowa.edu) and Jalin Yu (U Iowa, USA): *On money as a substitute for perfect recall*
- **G. Camera** (Purdue U, USA; gcamera@mgmt.purdue.edu) and F. Vesely (Purdue U, USA): *End of days*
- E. Curtis-Soller (Drexel U, USA) and **C. Waller** (U Kentucky, USA; cjwall@pop.uky.edu): *Currency restrictions, government transaction policies and currency exchange*

- **M. Molico** (U Western Ontario, Canada; mmolico@julian.uwo.ca) and Y. Zhang (U Western Ontario, Canada): *Money and capital accumulation*

Political Economy

Chair: M. Jackson

- S. Barberà (U Autonoma de Barcelona, Spain) and **M. Jackson** (Caltech, USA; jacksonm@hss.caltech.edu): *Choosing how to choose: Self-stable majority rule*
- F. De Sinopoli (CORE, Belgium) and **G. Iannantuoni** (CORE, Belgium; iannant@core.ucl.ac.be): *A spatial voting model where proportional rule leads to two-party equilibria*
- T. Feddersen (Northwestern U, USA) and **A. Sandroni** (U Rochester; alsn@troi.cc.rochester.edu): *A theory of ethics and participation in elections*
- A. Gomberg (Inst Tecnológico Autónomo, México), **F. Marhuenda** (U Carlos III Madrid, Spain; marhuend@eco.uc3m.es) and I. Ortuño-Ortín (U Alicante, Spain): *Equilibrium in a model of endogenous political party formation*
- **H. Sosnowska** (Warsaw School of Economics, Poland; honorata@sgh.waw.pl): *Federation or division? New form of a paradox of size*
- S. De Michelis (CORE, Belgium) and **A. Dhillon** (U Warwick, UK; A.Dhillon@warwick.ac.uk): *Learning in elections and voter turnout equilibria*

Strategic Communication

Chair: F. Forges

- **E. Ben-Porath** (Tel Aviv U, Israel; benporat@math.huji.ac.il): *Cheap talk in games with incomplete information*
- **D. Gerardi** (Northwestern U, USA; dge594@hecky.acns.nwu.edu): *Unmediated communication in games with complete and incomplete information*
- **O. Gossner** (THEMA, U Paris X Nanterre, France; Olivier.Gossner@u-Paris10.fr) and J. F. Mertens (CORE, Belgium): *The value of information in zero-sum games*
- **P. Hernandez** (THEMA, U de Cergy-Pontoise, France; Penelope.Hernandez@eco.u-cergy.fr) and A. Urbano (U de Valencia, Spain): *Pseudorandom processes: Entropy and automata*
- T. Foucault (HEC and CEPR, France) and **G. Desgranges** (THEMA, U de Cergy-Pontoise, France; Gabriel.Desgranges@eco.u-cergy.fr): *Price improvements in financial markets as a screening device*
- **D. Filipovich** (El Colegio de Mexico,, Mexico; dfilipovich@colmex.mx): *Product identification in the absence of trademarks*

- **C. J. Haake** (U Bielefeld, Germany; chaake@wiwi.uni-bielefeld.de): *Two-agent fee-economies*
- **B. Taub** (U Illinois, Urbana-Champaign, USA; B-taub@equilibrium.econ.uiuc.edu): *Private-information insurance contracts in continuous time*

Topics in Monetary and Fiscal Policy

Chair: A. P. Villamil

- **T. Keister** (ITAM, Mexico; keister@itam.mx) and H. Ennis (Federal Reserve Bank, Richmond, USA): *Optimal policy with probabilistic equilibrium selection*
- **T. Koeppl** (U Minnesota, USA; thor@atlas.socsci.umn.edu) and J. Mac Gee (U Minnesota, USA): *Limited enforcement and efficient interbank arrangements*
- **Y. Lengwiler** (Swiss National Bank, Switzerland; Yvan.Lengwiler@snb.ch) and E. Wolfstetter (Hunboldt U, Germany): *Auctions and corruption*
- **D. Tsomocos** (The Bank of England, UK; Dimitrios.Tsomocos@bankofengland.co.uk): *Equilibrium analysis, banking and financial instability*
- **W. A. Barnett** (Washington U, USA; barnett@wueconc.wustl.edu): *New phenomena identified in a stochastic dynamic macroeconometric model: A bifurcation perspective*
- **A. P. Villamil** (U Illinois at Urbana-Champaign, USA; avillami@uiuc.edu) and T. Cavalcanti (New U, Portugal): *The optimal inflation tax and structural reform*

Next meeting

The next Meeting of *The Society for the Advancement of Economic Theory* is scheduled to take place in Chalkidiki, Greece, in July 2003.