

# 13<sup>th</sup> Annual Meeting of the Portuguese Economic Journal

Universidade de Évora – Colégio do Espírito Santo: 5-7 July 2019

(GPS: 38.579043/-7.906295)

## 5 July – Friday

08:30 - 09:00 Registration (room 131b)

09:00 - 09:30 Welcome Session (room 131)

- Soumodip Sarkar (Vice Rector of the *Universidade de Évora* and Local Organizing Committee)
- Luís F. Costa (Editor-in-chief of the Portuguese Economic Journal)
- Local Organizing Committee AMPEJ2020

Presenters in **bold**.

The presenter of the last paper in each session is the Chair.

The maximum duration for each presentation is 30 minutes, including discussion.

09:30 - 11:00 Parallel Sessions I

5<sup>th</sup> July

## 1A. Credit and Collateral (room 124)

1A.1 - *Aggregate Implications of Shadow Banking Firms*, **Miguel Ferreira** (Nova School of Business and Economics)

1A.2 - *Investment Slumps During Financial Crises: The Role of Credit Constraints*, Alexandros Fakos (Instituto Tecnológico Autónomo de México), Plutarchos Sakellaris (Athens University of Economics and Business), **Tiago Tavares** (Instituto Tecnológico Autónomo de México and CIE)

1A.3 - *“Inspect What You Expect to Get Respect” Can Bank Supervisors Kill Zombie Lending?*, **Diana Bonfim** (Banco de Portugal and Universidade Católica Portuguesa), Geraldo Cerqueiro (Universidade Católica Portuguesa), Hans Degryse (Katholieke Universiteit Leuven and CEPR), Steven Ongena (University of Zurich, Swiss Finance Institute, Katholieke Universiteit Leuven and CEPR)

## 1B. Fiscal Policy (room 131)

1B.1 - *Asset Liquidity and Fiscal Consolidation Programs*, **Tiago Bernardino** (Nova School of Business and Economics)

1B.2 - *Is Fiscal Policy Undermined by “one-size-fits-all” Monetary Policy? Evidence from the European Monetary Union*, **Ricardo Duque Gabriel** (University of Bonn), Ana Sofia Pessoa (University of Bonn)

1B.3 - *The Nonlinear Effects of Fiscal Policy*, **Pedro Brinca** (Nova School of Business and Economics and CEF.UP), Miguel de Faria e Castro (Federal Reserve Bank of St. Louis), Miguel H. Ferreira (Nova School of Business and Economics), Hans Holter (University of Oslo)

## 1C. Trade I (room 110)

1C.1 - *The Reallocation Effects of Mobility Restrictions on Workers and Firms: A West Bank Application*, **Chiara Fratto** (University of Chicago)

1C.2 - *Global Firms, (de)unionization and Wage Inequality*, Oscar Afonso (Universidade do Porto), **Tiago Sequeira** (Universidade da Beira Interior and CEFAGE), Pedro Neves (Universidade da Beira Interior and CEFAGE)

1C.3 - *Robots, Tasks, and Trade*, Erhan Artuc (World Bank), **Paulo Bastos** (World Bank), Bob Rijkers (World Bank)

11:00 - 11:30 Coffee break

11:30-12:30 **Keynote address** (room 131)

### ***Behavioural Macroeconomics. A new way to think about the macroeconomy***

**Paul De Grauwe** (London School of Economics)

12:45 - 14:00 Lunch (*Cozinha do Cardeal, Universidade de Évora - Colégio do Espírito Santo*)

14:00 - 15:30 Parallel Sessions II

5<sup>th</sup> July

## 2A. Econometrics (room 124)

2A.1 - *Modelling Volatility Interactions in Multivariate GARCH Models with Multiplicative Decomposition*, **Susana Martins** (Universidade do Minho)

2A.2 - *Bootstrapping Structural Change Tests*, Otilia Boldea (Tilburg University), **Adriana Cornea-Madeira** (University of York), Alastair Hall (University of Manchester)

2A.3 - *Testing for Episodic Predictability in Stock Returns*, Matei Demetrescu (Christian-Albrechts University of Kiel), Iliyan Georgiev (University of Bologna), **Paulo Rodrigues** (Banco de Portugal and Nova School of Business and Economics), A. M. Robert Taylor (University of Essex)

## 2B. Finance (room 131)

2B.1 - *Education, Financial Knowledge and Numerical Skills: Do They Help Avoiding Unnecessary Trading Fees?* Victor Mendes (CMVM and CEFAGE), **Paulo Pereira da Silva** (CMVM and CEFAGE)

2B.2 - *Hedging With an Edge: Parametric Currency Overlay*, **Pedro Barroso** (University of New South Wales), Marco J. Menichetti (University of Liechtenstein), Jurij-Andrei Reichenecker (University of Liechtenstein and UBS)

2B.3 - *Investors' Perspective on Portfolio Insurance: Expected Utility vs Prospect Theories*, **Raquel Gaspar** (ISEG - Universidade de Lisboa), Paulo Silva (ISEG - Universidade de Lisboa and Lusitania)

## 2C. Macro (room 110)

2C.1 - *Macroprudential Policy and Durable Goods*, **João Vasco Gama** (Nova School of Business and Economics)

2C.2 - *Financial Development and Consumption Adjustment*, **Joshua Duarte** (Universidade de Coimbra), João Sousa Andrade (Universidade de Coimbra and GEMF), Pedro Bação (Universidade de Coimbra)

2C.3 - *Singular Macroeconomic Dynamics and Temporary Indeterminacy*, Paulo Brito (ISEG - Universidade de Lisboa and UECE), **Luís F. Costa** (ISEG - Universidade de Lisboa and UECE), Huw Dixon (Cardiff Business School)

15:30 - 15:45 Coffee break

### 3A. Experimental (room 124)

3A.1 - *A Theoretical and Experimental Examination of Perceived Expertise and Dishonesty*, **Miguel Fonseca** (University of Exeter), Shaun Grimshaw (University of Exeter)

3A.2 - *Japanese English Auctions with Discrete Bid Levels: An Experimental Approach*, Konstantinos Georgalos (Lancaster University Management School), **Ricardo Gonçalves** (Universidade Católica Portuguesa), Indrajit Ray (University of Cardiff), Sonali Sen Gupta (Lancaster University Management School)

3A.3 - *Voting on Sanctioning Institutions in Open and Closed Communities: Experimental Evidence*, Ramon Cobo-Reyes (University of Exeter Business School), Gabriel Katz (University of Exeter), Thomas Markussen (University of Copenhagen), **Simone Meraglia** (University of Exeter)

3A.4 - *Identity, Distribution Rules and Productivity in Heterogeneous Teams: An experiment*, **Helia Marreiros** (Universidade Católica Portuguesa)

### 3B. Human Capital (room 131)

3B.1 - *The Design of Optimal Admission Policies to Higher Education: An Applied Theoretical Approach*, **Pedro Luís Silva** (University of Nottingham and CIPES)

3B.2 - *Optimal Policies, Middle Class Development and Human Capital Accumulation under Elite Rivalry*, Elena Sochirca (EEG - Universidade do Minho), **Pedro Neves** (Universidade da Beira Interior and CEFAGE)

3B.3 - *The Impact of School Starting Age on Student Achievement: Evidence from Portugal Using School Entry Laws and Exact Birth Dates*, **Gonçalo Lima** (Nova School of Business and Economics), Miguel Ruivo (Nova School of Business and Economics), Ana Reis (Nova School of Business and Economics), Luís Nunes (Nova School of Business and Economics), Maria do Carmo Seabra (Nova School of Business and Economics)

3B.4 - *Optimal Dynamic Taxation of Human Capital*, **Paulo Brito** (ISEG - Universidade de Lisboa and UECE)

### 3C. Monetary Policy (room 110)

3C.1 - *The Real Effects of Money Supply Shocks: Quasi-Experimental Evidence from Maritime Disasters in the Spanish Empire*, Adam Brzezinski (University of Oxford), Yao Chen (Erasmus University Rotterdam), **Nuno Palma** (University of Manchester and CEPR), Felix Ward (Erasmus University Rotterdam)

3C.2 - *A Quantitative Analysis of Countercyclical Capital Buffers*, **Miguel de Faria e Castro** (Federal Reserve Bank of St. Louis)

3C.3 - *Housing and Monetary Policy in the Business Cycle: What do Housing Rents Have to Say?*, **João Duarte** (Nova School of Business and Economics), Daniel Dias (Board of Governors of the Federal Reserve System and CEMAPRE)

3C.4 - *The Origins of Monetary Policy Disagreement: The Role of Supply and Demand Shocks*, Carlos Madeira (Central Bank of Chile), **João Madeira** (University of York), Paulo Santos Monteiro (University of York)

### 3D. PEJ Special Issue - *Economic Policy in Portugal: Competition, Innovation, and Competitiveness and Internationalisation* (room 115)

*Chair:* Ricardo Pinheiro Alves (Gabinete de Estudos Económicos, Ministério da Economia)

3D.1 - *Which Projects Are Selected For an Innovation Subsidy? The Portuguese Case*, **Anabela Santos** (Université Libre de Bruxelles), Michele Cincera, Paulo Neto, Maria Manuel Serrano

3D.2 - *FDI, Income Inequality and Poverty: A Time Series Analysis of Portugal, 1973–2016*, **Aurora Teixeira** (FEP - Universidade do Porto), Ana Sofia Loureiro

3D.3 - *Gazelles: Drivers of Exceptional Job Creation - A Dynamic Probit Approach Using Portuguese Firm-level Data*, Gabriel Osório de Barros, Francisco Rodrigues, **Nuno Tavares** (Gabinete de Estratégia e Estudos, Ministério da Economia)

3D.4 - *International Trade in Services: Firm-level Evidence for Portugal*, Sónia Cabral, **João Amador** (Banco de Portugal), Birgitte Ringstad

18:00 - 19:30 Visit and wine tasting at *Adega Cartuxa* (the bus departs from Universidade de Évora - Colégio do Espírito Santo)

20:15 Conference Dinner *Hotel M'AR de AR Muralhas*  
(GPS: 38°56'637" - 7°9'13057")

## 6 July – Saturday

09:00 - 11:00 Parallel Sessions IV

6<sup>th</sup> July

### 4A. Development (room 124)

4A.1 - *Culture and Democracy*, **Wang Wen** (Nanyang Technological University)

4A.2 - *Adopting a New Development Technology – Testing the Rivalry Hypothesis*, **Inês Vilela** (Nova School of Business and Economics and NOVAFRICA)

4A.3 - *Regional Inequality and Transitional Dynamics of Consumption in China*, **Peng Bin** (Huazhong Agricultural University)

4A.4 - *The Effects of Welfare Programs on Formal Labor Markets: Evidence from Conditional Cash Transfers in Brazil*, François Gerard (Columbia University and NBER), Joana Naritomi (London School of Economics and CEPR), **Joana Silva** (World Bank)

### 4B. Health (room 131)

4B.1 - *Soda Taxes: Price and Quantity Effects on Soda and Other Drinks*, Judite Gonçalves (Nova School of Business and Economics), **João Santos** (Nova School of Business and Economics)

4B.2 - *License to Kill? The Impact of Hospital Strikes*, **Eduardo Costa** (Nova School of Business and Economics)

4B.3 - *Son Preference Among Migrants in Canada: Sex-Selective Abortions, Stopping Behaviour and Birth Spacing*, **Yigit Aydede** (Saint Mary's University), Marie-Claire Robitaille (Saint Mary's University)

4B.4 - *How Does the Type of Remuneration Affect Physician Behaviour? Fixed Salary versus Fee-for-service*, Kurt Brekke (Norwegian School of Economics), Tor Helge Holmås (Uni Research Rokkan Centre), Karin Monstad (Uni Research Rokkan Centre), **Odd Rune Straume** (Universidade do Minho)

#### **4C. Technical Change and Labour Share (room 110)**

4C.1 - *The Labor Share Meets Industrial Organization: Behavior Under Endogenous Growth and Market Structure*, **Ana Oliveira** (FEP - Universidade do Porto and CEF.UP)

4C.2 - *Investment-Specific Technological Change, Taxation and Inequality in the U.S.*, Pedro Brinca (Nova School of Business and Economics), Joao Duarte (Nova School of Business and Economics), Hans Holter (University of Oslo), **João Oliveira** (Nova School of Business and Economics)

4C.3 - *Time Variation in Rates of Depreciation and Price Change for Personal Computers*, David Byrne (Board of Governors of the Federal Reserve System), Wendy Dunn (Board of Governors of the Federal Reserve System), **Eugénio Pinto** (Board of Governors of the Federal Reserve System)

4C.4 - *Explaining the Labor Share: Automation vs Labor Market Institutions*, Luís Guimarães (Queen's University Belfast), **Pedro Gil** (FEP - Universidade do Porto)

#### **4D. Banco de Portugal Special Session – Best Master's Dissertations on the Portuguese Economy (room 115)**

*Chair:* Tiago Sequeira (Universidade da Beira Interior and CEFAGE)

4D.1 - *Increase in Parental Leave Benefits*, **Bárbara Alexandrino** (ISEG – Universidade de Lisboa)

4D.2 – *Majority Local Governments and Investment*, **Filipe Caires** (Universidade Nova de Lisboa)

4D.3 - *Generational Accounting for Portugal*, **Jorge Pinheiro** (Universidade Católica Portuguesa)

4D.4 - *Wage Inequality, Productivity, Peer Effects and Assortative Matching*, **Ana Margarida Carvalho** (Universidade Nova de Lisboa)

11:00 - 11:30 Coffee break

11:25 – **Consultaccount Award Ceremony**: Best paper presented by a PhD student

11:30 - 12:30 **Keynote address** (room 131)

#### ***Convergence Revisited***

**Michael Kremer** (Harvard University)

12:45 - 14:00 Lunch (*Cozinha do Cardeal, Universidade de Évora - Colégio do Espírito Santo*)

14:00-16:00 Parallel Sessions V

6<sup>th</sup> July

## 5A. Environmental (room 124)

5A.1 - *The Combined Influence of Oil Prices and Environmental Policy on Alternative Sources of Energy*, **Inês C. Nunes** (IST - Universidade de Lisboa), Margarida Catalão-Lopes (IST - Universidade de Lisboa)

5A.2 - *On the Relationship Between Consumption and CO2 Emissions: The Case of Portugal*, **José Belbute** (Universidade de Évora, CEFAGE and UNOVA IMS)

5A.3 - *Does the U.S. Export Global Warming? Coal Trade and the Shale Gas Boom*, Christopher R. Knittel (Sloan School of Management, MIT, and NBER), Konstantinos Metaxoglou (Carleton University), Anson Soderbery (Purdue University), **André Trindade** (Getulio Vargas Foundation)

5A.4 - *The Relationship Between Energy Consumption and Portuguese Urban Population*, **Nuno Carlos Leitão** (Instituto Politécnico de Santarém and CEFAGE)

## 5B. Political Economy and Voting (room 131)

5B.1 - *Estimating the Impact of Public Expenditure on Firm Performance: Religious Denominations as Proxy for Local Assertiveness*, **Henrique Alpalhão** (Nova School of Business and Economics), Marta Lopes, João Santos (Nova School of Business and Economics), José Tavares (Nova School of Business and Economics)

5B.2 - *Central Government Performance and Local Election Outcomes: A randomised experiment*, **Bruno Carvalho** (Nova School of Business and Economics), Susana Peralta (Nova School of Business and Economics), Cláudia Custódio (Nova School of Business and Economics and Imperial College London), Diogo Mendes (Nova School of Business and Economics)

5B.3 - *Modeling Horizontal Shareholding with Ownership Dispersion*, Duarte Brito (Universidade Nova de Lisboa), Einer Elhauge (Harvard University), **Ricardo Ribeiro** (Universidade Católica Portuguesa), Helder Vasconcelos (Universidade do Porto and CEF.UP)

5B.4 - *The Making of Financial Regulation - Voting on the U.S. Congress*, **João Rafael Cunha** (University of St. Andrews)



## 5C. Industrial Organization (room 110)

5C.1 - *Fibre Investment under Uncertainty: Long-Run Contracts, Risk Premia, and Access Options*, Marc Bourreau (Telecom ParisTech), Carlo Cambini (Politecnico di Torino), **Steffen Hoernig** (Nova School of Business and Economics), Ingo Vogelsang (Boston University)

5C.2 - *Product Personalization and Behavior Based Price Discrimination*, Didier Laussel (Aix-Marseille School of Economic and GREQAM), **Joana Resende** (Universidade do Porto and CEF.UP)

5C.3 - *Do Dynamic Tariffs Promote Investment in Renewables? The Case of a Non-regulated Monopoly*, **Joao Correia-da-Silva** (Universidade do Porto and CEF.UP), Isabel Soares (Universidade do Porto and CEF.UP), Raquel Fernández (Universidade do Porto)

5C.4 - *Strategic Interactions of Urban Land Developers in the Housing Market*, Pedro Garcês (Universidade do Algarve), **Cesaltina Pires** (Universidade de Évora and CEFAGE), Joana Pinho (Universidade Católica do Porto), Sílvia Jorge (Universidade de Aveiro), Margarida Catalão-Lopes (IST - Universidade de Lisboa and CEG-IST)

16:00 - 16:20 Coffee break

16:20 - 17:50/18:20 Parallel Sessions VI

6<sup>th</sup> July

## 6A. Banking (room 124)

6A.1 - *The Transmission of Unconventional Monetary Policy to Bank Credit Supply: Evidence from the TLTRO*, António Afonso (ISEG – Universidade de Lisboa, REM and UECE), **Joana Sousa Leite** (ISEG - Universidade de Lisboa)

6A.2 - *Propagation of House Price Shocks Through the Banking System*, **Nuno Paixão** (Bank of Canada)

6A.3 - *Benefits from Non-traditional Income in Commercial Banks? Evidence from European Countries*, **Renata Karkowska** (University of Warsaw)

## 6B. Business Cycles (room 131)

6B.1 - *Countercyclical Risk Aversion and International Business Cycles*, **Jan-Philipp Dueber** (University of Kent)

6B.2 - *Risk Shocks, Business Cycles and Due Loans: Too Less of a Bad Thing?*, **Paulo Júlio** (Banco de Portugal and CEFAGE), José R. Maria (Banco de Portugal), João Oliveira (Banco de Portugal), Sílvia Santos (Banco de Portugal)

6B.3 - *Price stickiness: Microeconometric evidence using hazard models with high-dimensional fixed effects*, Sónia Félix (Nova School of Business and Economics and Banco de Portugal), Paulo Guimarães (Banco de Portugal), **Pedro Portugal** (Nova School of Business and Economics and Banco de Portugal)

6B.4 - *Countercyclical Risk Aversion and International Business Cycles*, Rui Leite (Universidade do Porto), **Alper Cenesiz** (Universidade do Porto)

## 6C. Trade II (room 110)

6C.1 - *Imports Competition, Regional Divergence, and the Rise of the Skilled City*, **Javier Quintana Gonzalez** (Bocconi University)

6C.2 - *The Local Impact of Containerization*, Leah Brooks (George Washington University), Nicolas Gendron-Carrier (University of Toronto), **Gisela Rua** (Board of Governors of the Federal Reserve System)

6C.3 - *Demand Learning, Customer Capital and Exporter Dynamics*, **Nicholas Kozeniauskas** (Banco de Portugal), Spencer Lyon (New York University)

19:00 – 21:00 **3rd PEJ Football Cup: Micro vs Macro**

*Everybody Health & Fitness Club*, Rua Luís Adelino Fonseca nº8, 7002-502 Évora

If you are interested, please send an e-mail to Pedro Brinca ([pedro.brinca@novasbe.pt](mailto:pedro.brinca@novasbe.pt)) or Ricardo Gonçalves ([rgoncalves@porto.ucp.pt](mailto:rgoncalves@porto.ucp.pt)).

*Note that this is not an official Portuguese Economic Journal conference event. Therefore, neither CEFAGE nor the University of Évora will take any legal responsibility regarding this event. This is an informal just-for-fun seven-a-side football match, in an artificial-grass football pitch, organised by researchers participating in the 13th PEJ Annual Meeting. Players are responsible for their health conditions. Any health problem or injury should be covered by individual health insurance or national health services. If you do not feel comfortable taking this health and life risk, please do not join the match.*

7 July – Sunday

09:00 – 10:00 Guided visit to Évora (free, to book your place please send an email to [lcoelho@uevora.pt](mailto:lcoelho@uevora.pt))

Hot-air balloon flight (not covered by the Conference Fee, please contact <https://balonissimo.com> or <https://www.upalentejo.pt/> or <https://www.herancasdoalentejo.net/en/hot-air-balloon-flight>)

18:30 – International Choir Meeting, organized by CORUE – Coro da Universidade de Évora, Teatro Garcia de Resende, <https://corue.weebly.com/eicoros19.html> (free, to book your place please send an email to [lcoelho@uevora.pt](mailto:lcoelho@uevora.pt))

**Scientific Committee:**

Ana Rute Cardoso (CSIC & Barcelona GSE)  
Cátia Batista (Nova SBE)  
Luís Cabral (NYU)  
Mário Páscoa (U. Surrey)  
Mónica C. Dias (IFS)  
Nuno Limão (U. Maryland) - Chair  
Paulo Bastos (World Bank)  
Paulo Rodrigues (Banco de Portugal & Nova SBE)  
Ricardo Reis (LSE)  
Vasco Carvalho (U. Cambridge)

**Local Organizing Committee:**

Andreia Dionísio (Universidade de Évora)  
Carlos Vieira (Universidade de Évora) - Chair  
Isabel Vieira (Universidade de Évora)  
Luís Coelho (Universidade de Évora)  
Soumodip Sarkar (Universidade de Évora)

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