

PROGRAM OF THE 1995 MEETING OF THE SOCIETY FOR THE ADVANCEMENT OF ECONOMIC THEORY

Cephalonia, Greece, May 22–28, 1995
Hotel Mediterranee

The second meeting of the *Society for the Advancement of Economic Theory* took place on the historic Greek island of Cephalonia with ninety-five participants. The theme of the conference was **Current Trends in Economics: Theory and Applications**.

Program Committee

Charalambos D. Aliprantis, IUPUI, USA (Chairperson)
Evgenios Avgerinos, University of the Aegean, GREECE
Achille Basile, University of Naples, ITALY
David Cass, University of Pennsylvania, USA
Egbert Dierker, University of Vienna, AUSTRIA
Brigit Grodal, University of Copenhagen, GREECE
Demetrios Kravvaritis, Technical University of Athens, GREECE
Gerasimos G. Legatos, University of Athens, GREECE
David Levine, UCLA, USA
Mukul Majumdar, Cornell University, USA
George Pandelidis, National Technical University of Athens, GREECE
Charles R. Plott, CALTECH, USA
Ioannis A. Polyrakis, National Technical University of Athens, GREECE
Edward C. Prescott, University of Minnesota, USA
Walter Trockel, Bielefeld University, GERMANY
Michael Woodford, The University of Chicago, USA
Nicholas C. Yannelis, University of Illinois at Urbana-Champaign, USA
Demetrios C. Yannelis, University of Piraeus, GREECE

Sponsors

1. The Society of the Advancement of Economic Theory (USA)
2. The National Technical University of Athens
3. The European Union
4. The University of the Aegean
5. Springer-Verlag Publishing Company (GERMANY)
6. The Indiana University-Purdue University at Indianapolis (USA)
7. The City of Argostolion, Cephalonia
8. The Greek Government
9. The Cephalonia Administration
10. The George & Mari Vergotis Foundation
11. The Cultural Center of Cephalonia & Ithaca
12. AGROTIKI-LIFE Insurance Company
13. The Bank of Greece
14. The Commercial Bank of Greece

Welcome and Opening Remarks
Monday, May 22, 8:00 am–9:00 am

- C. D. Aliprantis, IUPUI, USA
- Rev. Spyridon, Greek Orthodox Bishop of Cephalonia
- M. Metaxas, Governor of Cephalonia
- M. Fortes, Mayor of Argostolion
- S. Katsivelis, Mayor of Lyxourion

SESSION LISTINGS

Topics in Equilibrium Theory I
Monday, May 22, 9:30 am–12:00 Noon
Chairperson: Nicholas Yannelis, University of Illinois

Stationary Ramsey Equilibria Under Uncertainty, R. A. Becker, Indiana University, and I. Zilcha, Tel Aviv University

Optimal Contracts and Costly Enforcement, S. Krasa and A. Villamil, University of Illinois

Uncertainty Aversion, Rationality in Games of Perfect Information, C. Ma, McGill University

Pure Strategy Markov Equilibria in Stochastic Games With Many Players, S. K. Chakrabarti, Indiana University-Purdue University Indianapolis

Topics in Equilibrium Theory II
Monday, May 22, 3:00 pm–6:00 pm
Chairperson: Paolo Siconolfi, Columbia University

Edgeworth's Conjecture With Infinitely Many Commodities, R. M. Anderson, University of California-Berkeley, and W. R. Zame, UCLA-USA

International Finance and International Trade, D. Tsomokos, Columbia University

Uncertainty and the Information Role of Prices, T. Pietra, University di Modena, and A. P. Siconolfi, Columbia University

Condorcet Cycles Under Bipartism, Y. Balasko, University of Geneva, and H. Cres, University of Pennsylvania

Oligopoly Theory

Tuesday, May 23, 9:00 am-12:00 noon

Chairperson: Brigit Grodal, University of Copenhagen

A Note on Stability of Best Reply and Gradient Systems With Applications to Imperfectly Competitive Models, L. Corchon, University of Alicante, and A. Mas-Colell, Harvard University

On Strategic Market Interaction and Imperfect Competition, J. Gabszewicz, CORE

Product Differentiation and Increasing Returns to Scale, H. Dierker, University of Vienna

Reputation for Honesty in Repeated Games With One Long Run Player, C. Schulz, University of Copenhagen

Profit Maximization, Relative Prices and the Maximization of Shareholders' Real Wealth, E. Dierker, University of Vienna, and B. Grodal, University of Copenhagen

Endogenous Uncertainty

Tuesday, May 23, 3:30 pm-5:00 pm

Chairperson: Geoffrey Heal, Columbia University

A Unified Perspective on Resource Allocation: Limited Arbitrage is Necessary and Sufficient for the Existence of Competitive Equilibrium, the Core, and Social Choice Rules, G. Chichilnisky, Columbia University

Price Uncertainty and Derivative Securities in General Equilibrium Common Agency and Multinational Regulation, G. Heal, Columbia University

Topics in Economic Theory I

Wednesday, May 24, 8:30 am-12:30 pm

Chairperson: John Ledyard, CALTECH

Coalitional Bayesian Nash Implementation in Differential Information Economies, G. Hahn and N. Yannellis, University of Illinois at Urbana-Champaign

Null Players Out, H. Haller, University of Tilburg

Majority Rule is Almost an Optimal Mechanism, J. Ledyard and T. Palfrey, CALTECH

Strategic Manipulation in Committees Using the Plurality Rule: Alternative Concepts and Frequency Calculations, D. Lepelley and B. Mbih, University De Caen

The Robustness of the Independent Private Value Model, G. Kosmopoulou and S. Williams, University of Illinois at Urbana-Champaign

Endogenous Location Decisions, D. Heller, Swiss National Bank

Growth Under Uncertainty With Experimentation, G. Bertocchi, University di Modena, and M. Spagat, Brown University

Topics in Economic Theory I

Wednesday, May 24, 2:30 pm–6:00 pm

Chairperson: Walter Trockel, Bielefeld University

Overlapping Generations Models With Scarce Resources, H. G. Tillmann, Münster University

Local Expected Utility Without Compactness, P. Bardsley, University of Melbourne

On Equitable Opportunities, L. Kranich, University Carlos III

On the Concept of Walrasian Equilibrium for NTU-Games, W. Trockel, University of Bielefeld

Walrasian Analysis Without Autarky, Y. Lengwiler, Swiss National Bank

Opportunity Cost and Prudentiality, V. France, University of Illinois at Urbana-Champaign

Math Techniques in Economics

Wednesday, May 24, 2:30 pm–6:00 pm

Chairperson: Yuri Abramovich, IUPUI

On Evolution Inclusions in Hilbert Spaces, D. Kravvaritis, Technical University of Athens

Countably Additive Restrictions of Finitely Additive Measures Ranging in Abstract Spaces, A. Martellotti, University of Perugia

Lattice Subspaces in Economic Theory, I. A. Polyrakis, Technical University of Athens

Energy as a Production Factor in the Theory of Economic Growth, V. N. Pokrovski, University of Malta

Ordered Tensor Products, G. Buskes, University of Mississippi

A Representation Theorem for Riesz Spaces and its Applications to Economics, Y. Abramovich, IUPUI, C. D. Aliprantis, IUPUI, and W. R. Zame, UCLA

May 24, 8:00 pm: Meeting of the Editorial Board of Economic Theory

Thursday, May 25

Recreational Day. Various activities sponsored by the mayor of Argostolion, including a visit to the recently discovered Mycenaean cemetery

Extrinsic Uncertainty and Competitive Equilibrium
Friday, May 26, 9:00 am–11:30 am
Chairperson: David Cass, University of Pennsylvania

Underemployment of Resources and Self-fulfilling Beliefs, A. Citanna, McGill University and University of Pennsylvania, H. Cres, University of Pennsylvania, and A. Villanacci, U of Pennsylvania

Statistical Equilibria, T. Krebs, University of Illinois at Urbana-Champaign

On the Indeterminacy of Equilibria With Incomplete Financial Markets, M. Lisboa, University of Pennsylvania

General Existence of Sunspot Equilibria: The Case of Real Assets, P. Gottardi, University di Venezia, and A. Kajii, University of Pennsylvania

Topology and Resource Allocation
Friday, May 26, 3:30 pm–5:00 pm
Chairperson: Graciela Chichilnisky, Columbia University

Intertemporal Equity and Infinite Chichilnisky Rules, L. Lauwers, University Catholique de Louvain

Markets with Endogenous Uncertainty: Theory and Policy, G. Chichilnisky, Columbia University

May 26, 9:00 pm: A Piano Recital performed by Niki Pantazatou at the theater of Argostolion

Financial Markets and General Equilibrium
Saturday, May 27, 9:30 am–12:30 pm
Chairperson: Jan Werner, University of Minnesota

Multiperiod Equilibrium with Endogenous Price Uncertainty, P. Henrotte, HEC Jouy-en-Josas

Decentralized Adaptive Learning: Global Stability in Spite of “Local Instability” in a General Equilibrium Example, S. Chattopadhyay, University of Alicante

Arbitrage, Bubbles and Valuation, J. Werner, University of Minnesota

A Random Utility Model for Demand and Equilibrium Analysis, D. J. Brown, Stanford University and R. Matzkin, Northwestern University

The Design and Limitations of Markets to Perform Nonclassical Allocation Functions

Saturday, May 27, 2:20 pm-6:10 pm
Chairperson: Charles Plott, CALTECH

Credit Constraints in General Equilibrium: Experimental Results, A. Bosch University of Pompeu Fabra, and J. Silvestre, University of California-Davis

A Binary Conflict, Ascending Price Mechanism (BICAP) for the Decentralized Allocation of the Rights to Use Railroad Tracks, P. J. Brewer, Georgia Southern University and C. R. Plott, CALTECH

Experimental Evidence on the Declining Price Anomaly in Sequential Auctions
M. Olson, University of Amsterdam

Saturday Evening, May 27

Recreational Evening! Dinner hosted by the mayor of Argostolion with local dances and music.

Financial Models

Sunday, May 28, 9:00 am-11:30 am

Chairperson: Wayne Shafer, University of Illinois at Urbana-Champaign

Precontractual Investigation and Commitment, C. Mezzetti, University of North Carolina, and F. Tsoulouhas, North Carolina State University

Price Rule and Volatility in Auctions With Resale Markets, A. Alkan, Bogazici University

Markets vs. Contracts, C. Kahn, University of Illinois at Urbana-Champaign

Coalition Formation

Sunday, May 28, 2:30 pm–6:00 pm

Chairperson: Shlomo Weber, Southern Methodist University

Tax Policy of the Government and Endogenous Formation of Trade Unions,
H. Wiesmeth, University of Dresden

Stable Trading Structures in Bilateral Oligopolies, F. Bloch, CORE

Endogenous Coalition Structure in a Cournot Oligopoly, S. Thoron, CREQAM

*Nash Equilibria in Games with Positive Externalities Equivalence of Strong and
Coalition-Proof Nash Equilibria*, H. Konishi, Southern Methodist University,
M. Le Breton, LEQAM, and S. Weber, Southern Methodist University

Equilibrium in a Model with Partial Rivalry, H. Konishi, Southern Methodist
University, M. Le Breton, LEQAM, and S. Weber, Southern Methodist Uni-
versity

Next Meeting

The next meeting of **The Society for the Advancement
of Economic Theory** is scheduled to take place in Istanbul,
Turkey, May 20–26, 1997.