BIRS Workshop
Name of Workshop
Date of Workshop
MEALS

Breakfast (Continental): 7:00 - 9:00 am, 2nd floor lounge, Corbett Hall, Sunday - Thursday
*Lunch (Buffet): 11:30 am - 1:30 pm, Donald Cameron Hall, Sunday - Thursday
*Dinner (Buffet): 5:30 - 7:30 pm, Donald Cameron Hall, Saturday - Wednesday
Coffee Breaks: As per daily schedule, 2nd floor lounge, Corbett Hall
***Please remember to scan your meal card at the host/hostess station in the dining room for each lunch and dinner.**

MEETING ROOMS

All lectures are held in the main lecture hall, Max Bell 159. *Please note that the meeting space designated for BIRS is the lower level of Max Bell, Rooms 155-159. Please respect that all other space has been contracted to other Banff Centre guests, including any Food and Beverage in those areas.*

SCHEDULE

	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	
7:00-9:00	X	Continental Breakfast, 2nd floor lounge, Corbett Hall					
9:00-9:45	X	Hildenbrand	Heckman	Saari	Guesnerie		
9:45-10:30	X	Kneip	Matzkin	Zame	Miravete		
10:30-11:00	X	Coffee Break, 2nd floor lounge, Corbett Hall					
11:00-11:45	X	Jerison	Nakamura	Shannon	Wets		
11:45-12:00	X	X	X	Group Photo[1]	X	X	
11:30-13:30	X	Buffet Lunch, Donald Cameron Hall					
13:00-14:00	X	Guided Tour[2]	X	free afternoon	X	X	
14:00-14:45	X	Grandmont	Peters	free afternoon	Jofre	X	
14:45-15:30	X	Quah	Nesheim	free afternoon	Carlier	X	
15:30-16:00	X	Coffee Break, 2nd floor lounge, Corbett Hall (except Tues.)				X	
16:00-16:45	X	Chiappori	Ekeland	free afternoon		X	

---

[1]A group photo will be taken on Tuesday at 11:45 am, directly after the last lecture of the morning. Please meet on the front steps of Corbett Hall.

[2]A free guided tour of The Banff Centre is offered to all participants and their guests on Sunday starting at 1:00 pm. The tour takes approximately 1 hour. Please meet in the 2nd floor lounge in Corbett Hall.

BIRS Workshop
Name of Workshop
Date of Workshop

ABSTRACTS
(in alphabetic order by speaker surname)

Speaker: **Grandmont** (CREST and CNRS)
Title: *Aggregation of heterogeneous beliefs, asset pricing and risk sharing in complete financial markets*
Abstract: Abstract Text

Speaker: **Michael Jerison** (Albany)
Title: *Testing for structure in general equilibrium models*
Abstract: Abstract:

Many kinds of numerical general equilibrium models are used in policy analysis. However, their policy implications are often suspect because their empirical foundations are weak. In particular, it is often difficult to judge the appropriateness of assumptions about functional forms for preferences and production relations. At the same time, the empirical content of more general classes of equilibrium models remains unclear. Brown and Shannon (Econometrica 2000) show that using finite data on equilibrium prices, individual incomes and aggregate consumption in a pure exchange economy with varying endowments, it is impossible to refute the hypothesis that every equilibrium is locally stable under tatonnement. With such data, a basic qualitative property of equilibrium is not testable. On the other hand, Chiappori et. al. (J. Math Econ. 40(1) 2004) show that in a generic exchange economy, knowing how equilibrium prices adjust to all small changes in the distribution of individual endowments allows one to derive all the individual demand functions locally. In that case, it is possible to test for local stability and make quantitative predictions about comparative statics. These results seem to suggest that there is an all-or-nothing dichotomy between inferences derivable from continuous as opposed to discrete data.

The present paper proposes a less extreme position on observability that seems to correspond more closely to the data that are potentially available. A problem with the results described above and with others reported in the J. Math Econ 40(1) 2004 special issue on observability is that they assume that prices, aggregate consumption and possibly other variables are observed without error. But it turns out that even small errors can make a big difference. I show that with arbitrarily small errors in price observations, the conclusion of Chiappori et. al. (2004) fails and individual demand functions can no longer be recovered. Next I show that it is possible to draw conclusions about comparative statics and local stability of equilibrium using expenditure survey data and consumption experiments such as in Sippel (Economic J. 1997). The analysis relies on average derivative estimation. It allows for measurement errors and does not depend on functional form restrictions. The paper concludes with discussion of problems associated with discrete consumption.

Speaker: **Quah** (Oxford)
Title: *The aggregate weak axiom in a financial economy through dominant substitution effects*
Abstract: Abstract Text
Speaker: **Zame** (California Institute of Technology and Caltech)

Title: *Contracts, Incentives and Markets:Toward a General Equilibrium Theory of Firms*
Abstract: This paper takes a step toward integrating firm theory in the spirit of Alchian \& Demsetz and Grossman \& Hart and contract theory in the spirit of Holmstrom with general equilibrium theory in the spirit of Arrow & Debreu and McKenzie. In the model presented here, the set of firms that form and the

contractual arrangements that appear, the assignments of agents to firms, the prices faced by firms for inputs and outputs, and the incentives to agents are all determined endogenously at equilibrium. Agents choose consumption — but they also choose which firms to join, which roles to occupy in those firms, and which actions to take in those roles. Agents interact anonymously with the (large) market, but strategically within the (small) firms they join. The model incorporates both moral hazard and adverse selection, and allows for both screening and signaling. Equilibria may not be Pareto optimal, and may even be Pareto ranked.

Speaker: **Name** (Affiliation)

Title: *Title*
Abstract: Abstract Text
Speaker: **Name** (Affiliation)

Title: *Title*
Abstract: Abstract Text
Speaker: **Name** (Affiliation)

Title: *Title*
Abstract: Abstract Text