

# EUROPEAN SUMMER SYMPOSIUM IN INTERNATIONAL MACROECONOMICS (ESSIM) 2010

**Hosted by**  
Banco de España

Tarragona, Spain; 25-28 May 2010

## DRAFT PROGRAMME

### TUESDAY 25 MAY

<b>08.15 - 08.45</b>	Registration and Coffee
<b>08.45-09.00</b>	Introductory remarks: Jose Luis Malo de Molina (DG Economics, Statistics and Research, Banco de España)
<b>Plenary Session</b>	<b>Finance and Macroeconomics</b>
<b>09.00 - 10.00</b>	<b>Booms and Busts in Asset Prices</b> *Klaus Adam (Mannheim University and CEPR) Albert Marcet (London School of Economics and CEPR)
<i>Discussant:</i>	<i>Kristoffer Nimark (CREI and Universitat Pompeu Fabra)</i>
<b>10.00 - 11.00</b>	<b>On the Dynamics of Leverage, Liquidity, and Risk</b> *Philippe Bacchetta (Université de Lausanne and CEPR) Cédric Tille (The Graduate Institute of International and Development Studies and CEPR) Eric van Wincoop (University of Virginia)
<i>Discussant:</i>	<i>Pietro Reichlin (LUISS Guido Carli and CEPR)</i>
<b>11.00 - 11.30</b>	<b>Coffee Break</b>
<b>11.30 - 12.30</b>	<b>Portfolio Inertia and the Equity Premium</b> Christopher Gust (Federal Reserve Board) *David López-Salido (Federal Reserve Board and CEPR)
<i>Discussant:</i>	<i>Alexander Michaelides (London School of Economics and CEPR)</i>
<b>12.30 - 13.30</b>	<b>Banking Competition, Collateral Constraints and Optimal Monetary Policy</b> Javier Andrés (Universidad de Valencia) Óscar Arce (CNMV) *Carlos Thomas (Banco de España)
<i>Discussant:</i>	<i>Luca Dedola (European Central Bank and CEPR)</i>
<b>13.30 - 14.30</b>	<b>Lunch</b>

Parallel Session	Capital Flows and Exchange Rates	Technical Change and Productivity
14.30 - 15.30	<b>Crash Risk in Currency Markets</b> Emmaneul Farhi (Harvard University) Samuel Fraiberger (New York University) Xavier Gabaix (New York University) *Romain Ranci�ere (IMF and CEPR) Adrien Verdelhan (MIT)	<b>Sector-specific Technical Change</b> Susanto Basu (Boston College) *John Fernald (Federal Reserve Bank of San Francisco) Jonas Fisher (Federal Reserve Bank of Chicago) Miles Kimball (University of Michigan)
15.30 - 16.30	<b>Following the Money in Global Banks: Internal Transfers During the Crisis</b> Nicola Cetorelli (Federal Reserve Bank of New York) *Linda Goldberg (Federal Reserve Bank of New York)	<b>Technology Innovation and Diffusion as Sources of Output and Asset Price Fluctuations</b> *Diego Comin (Harvard Business School) Mark Gertler (New York University) Ana Maria Santacreu (INSEAD)
16.30 - 17.00	<b>Coffee Break</b>	
17.00 - 18.00	<b>How Do Different Exporters React to Exchange Rate Changes? Theory, Empirics and Aggregate Implications</b> Nicolas Berman (Graduate Institute, Geneva) *Philippe Martin (Sciences Po and CEPR) Thierry Mayer (Sciences Po and CEPR)	<b>Cyclical Skill-biased Technical Change</b> *Almut Balleer (IIES, University of Stockholm) Thijs van Rens (CREI, Universitat Pompeu Fabra and CEPR)
18.00 - 19.00	<b>Explaining Low Frequency Movements of the Real Exchange Rate</b> *Pau Rabanal (IMF) Juan Rubio-Ram�irez (Duke University)	<b>The Vanishing Procyclicality of Labor Productivity</b> Jordi Gal�ı (CREI, Universitat Pompeu Fabra and CEPR) *Thijs van Rens (CREI, Universitat Pompeu Fabra and CEPR)

### **WEDNESDAY 26 MAY**

Plenary Session	Structural Change, Volatility, Growth
09.00 - 10.00	<b>Growing Like China</b> Zheng Song (Fudan University and Chinese University of Hong Kong) Kjetil Storesletten (Federal Reserve Bank of Minneapolis and CEPR) *Fabrizio Zilibotti (University of Zurich and CEPR)
<i>Discussant:</i>	<i>Francesco Caselli (London School of Economics and CEPR)</i>
10.00 - 11.00	<b>The Great Diversification</b> *Vasco Carvalho (CREI and Universitat Pompeu Fabra) Xavier Gabaix (New York University)
<i>Discussant:</i>	<i>Alessio Moro (Universidad Carlos III de Madrid)</i>
11.00 - 11.30	<b>Coffee Break</b>
11.30 - 12.30	<b>Two Perspectives on Preferences and Structural Transformation</b> Berthold Herrendorf (Arizona State University) Richard Rogerson (Arizona State University) *Akos Valentinyi (Magyar Nemzeti Bank and CEPR)
<i>Discussant:</i>	<i>Diego Comin (Harvard Business School)</i>

<b>12.30 - 13.30</b>	<b>Volatility and Openness to International Trade</b> Francesco Caselli (London School of Economics and CEPR) Miklós Koren (Central European University and CEPR) Milan Lisicki *Silvana Tenreyro (London School of Economics and CEPR)	
<i>Discussant:</i>	<i>Fabrizio Perri (University of Minnesota and CEPR)</i>	
<b>13.30 - 14.30</b>	<b>Lunch</b>	
<b>Parallel Session</b>	<b>Distributions / Trade</b>	<b>Employment Reallocation</b>
<b>14.30 - 15.30</b>	<b>The Impact of Inflation in Open Economies</b> Bernardino Adão (Banco de Portugal) *Maria Isabel Horta Correia (Banco de Portugal and CEPR)	<b>How Inefficient is Worker Reallocation?</b> Alejandro Justiniano (Federal Reserve Bank of Chicago) David López-Salido (Federal Reserve Board and CEPR) *Claudio Michelacci (CEMFI and CEPR)
<b>15.30 - 16.30</b>	<b>Stationary Equilibrium Distributions in Economies with Limited Commitment</b> *Tobias Broer (Stockholm University)	<b>Inefficient Employment Decisions, Entry Costs, and the Cost of Fluctuations</b> *Wouter den Haan (University of Amsterdam and CEPR) Petr Sedlacek (University of Amsterdam)
<b>16.30 - 17.00</b>	<b>Coffee Break</b>	
<b>17.00 - 18.00</b>	<b>Trade, Firm Selection, and Innovation: the Competition Channel</b> *Giammario Impullitti (IMT Lucca Institute for Advanced Studies) Omar Licandro (IAE Barcelona and CEPR)	<b>Firm Dynamics, Job Turnover, and Wage Distributions in an Open Economy</b> *A. Kerem Cosar (Pennsylvania State University) Nezih Guner (Universitat Autònoma de Barcelona and CEPR) James Tybout (Pennsylvania State University)
<b>18.00 - 19.00</b>	<b>Oilgopoly: a General Equilibrium Model of the Oil-Macroeconomy Nexus</b> Anton Nakov (Banco de España) *Galo Nuño (Banco de España)	<b>On The Joint Behavior of Hiring and Investment</b> *Eran Yashiv (Tel Aviv University and CEPR)

## **THURSDAY 27 MAY**

<b>Plenary Session</b>	<b>Political Economy</b>
<b>09.00 - 10.00</b>	<b>Equilibrium Government</b> Bernardo Guimarães (London School of Economics and CEPR) *Kevin Sheedy (London School of Economics)
<i>Discussant:</i>	<i>Dirk Niepelt (Study Center Gerzensee and CEPR)</i>
<b>10.00 - 11.00</b>	<b>Whence policy? Governments, Finance, and Economic Integration</b> *Giuseppe Bertola (Università degli Studi di Torino and CEPR) Anna Lo Prete (Università degli Studi di Torino)
<i>Discussant:</i>	<i>John Hassler (IIES, Stockholm University and CEPR)</i>
<b>11.00 - 11.30</b>	<b>Coffee Break</b>

**11.30 - 12.30** | **Women's Rights and Development**  
Raquel Fernández (New York University and CEPR)

*Discussant:* | *José Vicente Rodríguez Mora (University of Edinburgh and CEPR)*

**12.30 - 13.30** | **When, Where and How Does Fiscal Stimulus Work?**  
Giancarlo Corsetti (EUI and CEPR)  
\*Gernot Müller (University of Bonn and CEPR)  
Andre Meier (IMF)

*Discussant:* | *Javier J. Pérez (Banco de España)*

**13.30 - 14.30** | **Lunch**

**14.30** | **Afternoon Free**

## **FRIDAY 28 MAY**

**Plenary Session** | **Monetary and Fiscal Policy**

**09.00 - 10.00** | **Redistributive Taxation in a Partial Insurance Economy**  
\*Jonathan Heathcote (Federal Reserve Bank of Minneapolis and CEPR)  
Kjetil Storesletten (Federal Reserve Bank of Minneapolis and CEPR)  
Giovanni Violante (New York University and CEPR)

*Discussant:* | *James Costain (Banco de España)*

**10.00 - 11.00** | **Some Economics of Fiscal Policy and the Zero Lower Bound**  
Karel Mertens (Cornell University)  
\*Morten Ravn (University College London and CEPR)

*Discussant:* | *Florin Bilbiie (Paris School of Economics and CEPR)*

**11.00 - 11.30** | **Coffee Break**

**11.30 - 12.30** | **The Great Escape? A Quantitative Evaluation of the Fed's Non-Standard Policies**  
\*Marco del Negro (Federal Reserve Bank of Atlanta)  
Gauti Eggertsson (Federal Reserve Bank of New York)  
Andrea Ferrero (Federal Reserve Bank of New York)

*Discussant:* | *Lucrezia Reichlin (London Business School and CEPR)*

**12.30 - 13.30** | **The Return of the Wage Phillips Curve**  
\*Jordi Galí (CREI, Universitat Pompeu Fabra and CEPR)

*Discussant:* | *Per Krusell (Princeton University, IIES and CEPR)*

**13.30 - 14.30** | **Lunch**

<b>Parallel Session</b>	<b>Globalization, Human Capital, Growth</b>	<b>Monetary and Fiscal Policy</b>
<b>14.30 - 15.30</b>	<b>Industrial Structure and Financial Capital Flows</b> *Keyu Jin (London School of Economics)	<b>Depression Econometrics: A FAVAR Model of Monetary Policy During the Great Depression</b> Pooyan Amir Ahmadi (Humboldt University of Berlin) *Albrecht Ritschl (London School of Economics and CEPR)
<b>15.30 - 16.30</b>	<b>Macroeconomic Volatility and External Imbalances</b> *Alessandra Fogli (University of Minnesota and CEPR) Fabrizio Perri (University of Minnesota and CEPR)	<b>Is There a Fiscal Free Lunch in a Liquidity Trap?</b> Christopher J. Erceg (Board of Governors of the Federal Reserve System) *Jesper Lindé (Federal Reserve Board and CEPR)
<b>16.30 - 17.00</b>	<b>Coffee Break</b>	
<b>17.00 - 18.00</b>	<b>Globalization and Divergence</b> *Joseph Zeira (Hebrew University of Jerusalem and CEPR)	<b>Precautionary Price Stickiness</b> James Costain (Banco de España) *Anton Nakov (Banco de España)
<b>18.00 - 19.00</b>	<b>Social Structure and Human Capital Dynamics</b> Tiago V. de V. Cavalcanti (Purdue University) *Chryssi Giannitsarou (University of Cambridge and CEPR)	<b>Long and Short Interest Rate Targets</b> Bernardino Adão (Banco de Portugal) Isabel Correia (Banco de Portugal, Universidade Catolica Portuguesa and CEPR) *Pedro Teles (Banco de Portugal and CEPR)

\* Indicates the presenter

### **Organizers**

Giancarlo Corsetti (European University Institute and CEPR)  
 Per Krusell (Princeton University, IIES and CEPR)  
 Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)  
 James Costain (Banco de España)