

European Summer Symposium in International Macroeconomics (ESSIM) 2008

Hosted by
Banco de España

Tarragona, Spain; 20-25 May 2008

Draft Programme

Wednesday 21 May 2008

- 08.15 - 08.45** Registration and Coffee
- 08.45-09.00** Introductory remarks: Juan Ayuso (Director, Department of Monetary and Financial Studies, Banco de España)

Plenary Session: The Great Moderation

- 09.00 - 10.00** **On the Sources of the Great Moderation**
*Jordi Galí (CREI, Universitat Pompeu Fabra and CEPR)
Luca Gambetti (Universitat Autònoma de Barcelona)
- Discussant:* *Gabriel Pérez-Quiros (Banco de España)*
- 10.00 - 11.00** **Monetary Policy and the Great Moderation**
*Klaus Adam (European Central Bank and CEPR)
- Discussant:* *Marco del Negro (Federal Reserve Bank of New York)*
- 11.00 - 11.30** **Coffee Break**
- 11.30 - 12.30** **Financial Liberalization and International Business Cycle**
*Vincenzo Quadrini (University of Southern California and CEPR)
Fabrizio Perri (University of Minnesota)
- Discussant:* *Gianluca Benigno (London School of Economics)*
- 12.30 - 13.30** **The Inflation-Unemployment Trade-off at Low Inflation Rates**
*Pierpaolo Benigno (LUISS Guido Carli and CEPR)
Luca Antonio Ricci (International Monetary Fund)

Discussant: Florin Bilbiie (HEC)

13.30 - 14.30 Lunch

Parallel Session: Financial Integration and Growth

14.30 - 15.30 Financial Integration, Productivity and Capital Accumulation
*Alessandra Bonfiglioli (Institute for Economic Analysis, CSIC)

15.30 - 16.30 Foreign Capital and Economic Growth: Accounting for the Efficiency Effect
Indrit Hoxha (University of Houston)
*Sebnem Kalemlı-Ozcan (University of Houston, Bilkent University and ECB)
Dietrich Vollrath (University of Houston)

16.30 - 17.00 Coffee Break

17.00 - 18.00 Rethinking the Effects of Financial Liberalization
*Fernando A. Broner (CREI, Universitat Pompeu Fabra and CEPR)
Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)

18.00 - 19.00 Stock Market Comovements and Industrial Structure
Pushan Dutt (INSEAD)
*Ilian Mihov (INSEAD and CEPR)

Parallel Session: ECB Wage Dynamics Network Session and Labor-Market Macro

14.30 - 15.30 U.S. Labor Market Dynamics and the Business Cycle
*Eran Yashiv (Tel Aviv University and CEPR)

15.30 - 16.30 Endogenous Labor Market Participation and the Business Cycle
*Christian Haefke (Institute for Advanced Studies, Vienna)
Michael Reiter (Institute for Advanced Studies, Vienna)

16.30 - 17.00 Coffee Break

17.00 - 18.00 Inflation dynamics with Search and Matching in the Labour Market: A Survey of Alternative Specifications
Kai Christoffel (ECB)
James Costain (Bank of Spain)
Gregory de Walque (National Bank of Belgium)
Keith Kuester (ECB)
Tobias Linzert (ECB)

*Stephen Millard (Bank of England)
Olivier Pierrard (Bank of Luxembourg)

18.00 - 19.00 **The role of labor markets for Euro Area monetary policy**
Kai Christoffel (ECB)
*Keith Kuester (ECB)
Tobias Linzert (ECB)

Thursday 22 May 2008

Plenary Session: Dynamic Fiscal Policy

09.00 - 10.00 **Intertemporal Distortions in the Second Best**
*Stefania Albanesi (Columbia University and CEPR)
Roc Armenter (Federal Reserve Bank of New York)

Discussant: *Tatiana Kirsanova (University of Exeter)*

10.00 - 11.00 **Rotten Parents and Disciplined Children: A Politico-Economic Theory of Public Expenditure and Debt**
Zheng Song (Fudan University)
Kjetil Storesletten (University of Oslo and CEPR)
*Fabrizio Zilibotti (University of Zurich and CEPR)

Discussant: *Nicola Gennaioli (CREI, Universitat Pompeu Fabra)*

11.00 - 11.30 **Coffee Break**

11.30 - 12.30 **In Search of a Theory of Debt Management**
Elisa Faraglia (London Business School)
Albert Marcet (Institut d'Analisi Economica and CEPR)
*Andrew Scott (London Business School and CEPR)

Discussant: *Dirk Niepelt (IIES and University of Bern)*

12.30 - 13.30 **The Aggregate Effects of Anticipated and Unanticipated Tax Policy Shocks: Theory and Empirical Evidence for the United States**
*Karel Mertens (Cornell University)
Morten O. Ravn (European University Institute and CEPR)

Discussant: *Juan Rubio Ramirez (Duke University)*

13.30 - 14.30 **Lunch**

Parallel Session: Inflation Dynamics

- 14.30 - 15.30** **Dynamics of the Price Distribution in a General Model of State-Dependent Pricing**
James Costain (Banco de España)
*Anton Nakov (Banco de España)
- 15.30 - 16.30** **Lumpy Investment and State-Dependent Pricing in General Equilibrium**
Michael Reiter (Institute for Advanced Studies, Vienna)
*Tommy Sveen (Norges Bank)
Lutz Weinke (Duke University)
- 16.30 - 17.00** **Coffee Break**
- 17.00 - 18.00** **What Do We Learn from the Price of Crude Oil Futures?**
Ron Alquist (University of Michigan)
*Lutz Kilian (University of Michigan)
- 18.00 - 19.00** **Inflation Differentials in a Currency Union: A DSGE Perspective**
*Pau Rabanal (La Caixa)

Parallel Session: Labor Supply

- 14.30 - 15.30** **Culture as Learning: The Evolution of Female Labor Force Participation over a Century**
*Raquel Fernandez (New York University and CEPR)
- 15.30 - 16.30** **Gender Roles and Technological Progress**
Stefania Albanesi (Columbia University, NBER and CEPR)
*Claudia Olivetti (Boston University)
- 16.30 - 17.00** **Coffee Break**
- 17.00 - 18.00** **Joint-Search Theory: New Opportunities and New Frictions**
Bulent Guler (University of Texas, Austin)
Fatih Guvenen (University of Minnesota)
*Giovanni L. Violante (New York University, CEPR, and NBER)
- 18.00 - 19.00** **Bling Bling, Human Capital, and Poverty**
*Omer Moav (Hebrew University, Royal Holloway University of London and CEPR)
Zvika Neeman (Tel Aviv University)

Friday 23 May 2008

Plenary Session: Information and Speculative Fluctuations

09.00 - 10.00 **Business Cycle Dynamics under Rational Inattention**
*Bartosz Adam Mackowiak (European Central Bank and CEPR)
Mirko Wiedeholt (Northwestern University)

Discussant: *James Costain (Banco de España)*

10.00 - 11.00 **Learning and Business Cycle Fluctuations**
Stefano Eusepi (Federal Reserve Bank of New York)
*Bruce Preston (Columbia University)

Discussant: *Kristoffer Nimark (NYU and Reserve Bank of Australia)*

11.00 - 11.30 **Coffee Break**

11.30 - 12.30 **The International Propagation of News Shocks**
Paul Beaudry (University of British Columbia)
Martial Dupaigne (GREMAQ and Toulouse School of
Economics)
*Franck Portier (Toulouse School of Economics, Gremaq and
CEPR)

Discussant: *Luca Dedola (European Central Bank)*

12.30 - 13.30 **Housing Bubbles**
*Oscar J. Arce (Banco de España)
J. David López-Salido (Federal Reserve Board and CEPR)

Discussant: *Kaiji Chen (University of Oslo)*

13.30 - 14.30 **Lunch**

14:30 **Afternoon Free**

Saturday 24 May 2008

Plenary Session: International Portfolios and Trade

09.00 - 10.00 International Portfolios, Capital Accumulation and Foreign Asset Dynamics

Nicolas Coeurdacier (London Business School and CEPR)
*Robert Kollmann (Free University of Brussels, ECARES and CEPR)
Philippe Martin (Universite Paris I, PSE and CEPR)

Discussant: Matthias Doepke (University of California, Los Angeles)

10.00 - 11.00 When Bonds Matter: Home Bias in Goods and Assets

Nicolas Coeurdacier (London Business School and CEPR)
*Pierre-Olivier Gourinchas (University of California Berkeley and CEPR)

Discussant: Elias Papaioannou (Dartmouth University)

11.00 - 11.30 Coffee Break

11.30 - 12.30 Learning the Wealth of Nations

Francisco Buera (Northwestern University)
Alex Monge-Naranjo (Northwestern University)
*Giorgio E. Primiceri (Northwestern University and CEPR)

Discussant: Rubén Segura-Cayuela (Banco de España)

12.30 - 13.30 Inventories, Lumpy Trade and Large Devaluations

George Alessandria (Federal Reserve Bank of Philadelphia)
Joseph Kaboski (Ohio State University)
*Virgiliu Midrigan (New York University)

Discussant: Ruediger Bachmann (University of Michigan)

13.30 - 14.30 Lunch

Parallel Session: Trade Liberalization and Competition

14.30 - 15.30 Procompetitive Losses from Trade

Paolo Epifani (Bocconi University)
*Gino A. Gancia (CREI, Universitat Pompeu Fabra and CEPR)

15.30 - 16.30 **Varieties and the Transfer Problem: The Extensive Margin of Current Account Adjustment**
Giancarlo Corsetti (European University Institute and CEPR)
*Philippe Martin (University of Paris I and CEPR)
Paolo Pesenti (Federal Reserve Bank of New York and CEPR)

16.30 - 17.00 **Coffee Break**

17.00 - 18.00 **Melitz meets Pissarides: Firm Heterogeneity, Search Unemployment, and Trade Liberalization**
*Julien Prat (Vienna University)
Gabriel Felbermayr (University of Tübingen)
Hans-Jorg Schmerer (University of Nottingham)

18.00 - 19.00 **Elasticity Optimism**
*Jean Imbs (HEC and CEPR)

Parallel Session: Macroeconomic Fluctuations

14.30 - 15.30 **Search Frictions, Real Rigidities and Inflation Dynamics**
*Carlos Thomas (Banco de España)

15.30 - 16.30 **Anticipated Growth and Business Cycles in Matching Models**
*Wouter Den Haan (University of Amsterdam and CEPR)
Georg Kaltenbrunner (London Business School)

16.30 - 17.00 **Coffee Break**

17.00 - 18.00 **To Target Inflation or Not to Target: A Conditional Answer**
Luca Gambetti (Universitat Pompeu Fabra)
*Evi Pappa (Universitat Autònoma de Barcelona and CEPR)

18.00 - 19.00 **Estimating DSGE Models with Trending Data**
*Fabio Canova (CREI and Universitat Pompeu Fabra)

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)