

# EUROPEAN SUMMER SYMPOSIUM IN INTERNATIONAL MACROECONOMICS (ESSIM) 2014

Hosted by  
Banco de España

Tarragona, Spain; 27-30 May 2014

## PROGRAMME

### TUESDAY 27 MAY

<b>08.15 - 08.45</b>	Registration and Coffee
<b>08.45-09.00</b>	Introductory remarks: <b>Juan Francisco Jimeno</b> (Head of Research Division, Monetary and Financial Studies Dept., Banco de España)
<b>Plenary Session</b>	<b>Topic</b>
<b>09.00 - 10.00</b>	<b>Inspecting the Mechanism: Leverage and the Great Recession in the Eurozone</b> <b>*Philippe Martin</b> (Sciences Po, Paris and CEPR) Thomas Philippon (New York University, CEPR and NBER)
<i>Discussant:</i>	<i>Gernot Müller (Bonn University and CEPR)</i>
<b>10.00 - 11.00</b>	<b>Banks, Capital Flows and Financial Crises</b> Ozge Akinci (Federal Reserve Board) <b>*Albert Queralto</b> (Federal Reserve Board)
<i>Discussant:</i>	<i>Henrique Basso (Banco de España)</i>
<b>11.00 - 11.30</b>	<b>Coffee Break</b>
<b>11.30 - 12.30</b>	<b>Quality, Trade, and Exchange Rate Pass-Through</b> <b>*Natalie Chen</b> (University of Warwick and CEPR) Luciana Juvenal (IMF)
<i>Discussant:</i>	<i>Raphael Auer (Swiss National Bank and CEPR)</i>
<b>12.30 - 13.30</b>	<b>Income-Induced Expenditure Switching</b> Rudolfs Bems (Bank of Latvia, Stockholm School of Economics in Riga and IMF) <b>*Julian di Giovanni</b> (Universitat Pompeu Fabra, Barcelona GSE, CREI and CEPR)
<i>Discussant:</i>	<i>Fabrizio Coricelli (Paris School of Economics and CEPR)</i>
<b>13.30 – 15.00</b>	<b>Lunch</b>

Parallel Session	Topic	Topic
15.00 - 15.45	<b>Great Moderation and Great Leverage: Financial trade and asset prices when investors disagree about risk</b> <u>*Tobias Broer</u> (IIES, Stockholm University and CEPR) Afroditi Kero (University of Cyprus)	<b>Capital controls: a normative analysis</b> <u>*Bianca de Paoli</u> (Federal Reserve Bank of New York) Anna Lipinska (Federal Reserve Board)
15.45 - 16.30	<b>Non-Fundamental Dynamics and Financial Markets Integration</b> <u>*Giacomo Rondina</u> (University of California, San Diego)	<b>The World Income Distribution: The Distinctive Effects of Unbundling</b> Sergi Basco (Universidad Carlos Tercero) <u>*Martí Mestieri</u> (Toulouse School of Economics)
16.30 - 17.00	<b>Coffee Break</b>	
17.00 - 17.45	<b>Unemployment (Fears), Precautionary Savings, and Aggregate Demand</b> Wouter den Haan (London School of Economics and CEPR) <u>*Pontus Rendahl</u> (University of Cambridge and CEPR) Markus Riegler (London School of Economics)	<b>State-dependent pricing and the government spending multiplier</b> Luca Dedola (ECB and CEPR) <u>*Anton Nakov</u> (ECB and CEPR)
17.45 - 18.30	<b>Trade, Unemployment, and Monetary Policy</b> Matteo Cacciatore (HEC Montreal) <u>*Fabio Ghironi</u> (University of Washington and CEPR)	<b>Chronicle of a War Foretold: The Macroeconomic Effects of Anticipated Defense Spending Shocks</b> Nadav Ben Zeev (European University institute) <u>*Evi Pappa</u> (European University institute and CEPR)

### **WEDNESDAY 28 MAY**

Plenary Session	Topic
09.00 - 10.00	<b>Optimal Income Taxation: Mirrlees Meets Ramsey</b> <u>*Jonathan Heathcote</u> (Federal Reserve Bank of Minneapolis and CEPR) Hitoshi Tsujiyama (Goethe University Frankfurt)
<i>Discussant:</i>	<i>Nezih Guner (ICREA-MOVE, Universitat Autònoma de Barcelona, Barcelona GSE and CEPR)</i>
10.00 - 11.00	<b>The Effects of Government Spending: Quasi-Experimental Evidence from Brazilian Municipalities</b> Raphael Corbi (London Business School) Elias Papaioannou (London Business School, CEPR and NBER) <u>*Paolo Surico</u> (London Business School and CEPR)
<i>Discussant:</i>	<i>Javier J. Perez (Banco de España)</i>
11.00 - 11.30	<b>Coffee Break</b>
11.30 - 12.30	<b>Aggregation and Labor Supply Elasticities</b> Alois Kneip (University of Bonn) <u>*Monika Merz</u> (University of Vienna and CEPR) Lidia Storjohann (University of Bonn)
<i>Discussant:</i>	<i>Renato Faccini (Queen Mary University)</i>

12.30 - 13.30

**Gambling for resurrection in Iceland: the rise and fall of the banks**

\***Fridrik Mar Baldursson** (Reykjavik University)

Richard Portes (London Business School and CEPR)

*Discussants:*

*Jeromin Zettelmeyer (EBRD and CEPR) and George Alogoskoufis (Athens University of Economics and Business)*

13.30 - 15.00

**Lunch**

**Parallel Session**

**Topic**

**Topic**

15.00 - 15.45

**What Drives Aggregate Investment**

\***Rüdiger Bachmann** (RWTH Aachen University and CEPR)

Peter Zorn (IFO and LMU)

**Exchange Rate Pass-Through, Currency Invoicing and Trade Partners**

Wei Dong (Bank of Canada)

\***Michael Devereux** (University of British Columbia and CEPR)

Ben Tomlin (Bank of Canada)

15.45 - 16.30

**Financial Shocks in Production Chains**

Sebnem Kalemli-Ozcan (University of Maryland and CEPR)

Se-Jik Kim (Seoul National University)

Hyun Song Shin (Princeton University)

\***Bent Sørensen** (University of Houston and CEPR)

Sevcan Yesiltas (Johns Hopkins University)

**Price Dynamics with Customer Markets**

\***Luigi Paciello** (Einaudi Institute for Economics and Finance and CEPR)

Andrea Pozzi (Einaudi Institute for Economics and Finance and CEPR)

Nicholas Trachter (Federal Reserve Bank of Richmond)

16.30 - 17.00

**Coffee Break**

17.00 - 17.45

**The Distribution of Debt Across Euro Area Countries: The Role of Individual Characteristics, Institutions and Credit Conditions**

Olympia Bover (BdE), Jose Maria Casado (BdE), Sonia Costa (BdP), Philip Du Cajuc (NBB), Yvonne McCarthy (Central Bank of Ireland), Eva Sierminska (INSTEAD), Panagiota Tzamourani (Bundesbank),

\***Ernesto Villanueva (BdE)** and

Tibor Zavadil (National Bank of Slovakia)

**A Signalling Theory of Quantitative Easing**

\***Saroj Bhattarai** (Pennsylvania State University)

Gauti B. Eggertsson (Brown University)

Bulat Gafarov (Pennsylvania State University)

17.45 - 18.30

**Sovereigns versus Banks: Credit, Crises, and Consequences**

\***Oscar Jordà** (SF Fed & UC Davis)

Moritz Schularick (University of Bonn)

Alan Taylor (University of California, Davis and CEPR)

**Signaling effects of Monetary Policy**

\***Leonardo Melosi** (Federal Reserve Bank of Chicago)

**THURSDAY 29 MAY**

**Plenary Session**

**Topic**

09.00 - 10.00

**Firm Dynamics and Residual Inequality in Open Economies**

Gabriel Felbermayr (IFO Munich)

\***Giammario Impullitti** (Nottingham University)

Julien Prat (CREST Paris and CEPR)

*Discussant:*

*Giuseppe Bertola (EDHEC Business School and CEPR)*

<b>10.00 - 11.00</b>	<b>Labor Market Reform and the Cost of Business Cycles</b> * <b>Tom Krebs</b> (University of Mannheim) Martin Scheffel (University of Cologne)
<i>Discussant:</i>	<i>Petr Sedlacek (Bonn University)</i>
<b>11.00 - 11.30</b>	<b>Coffee Break</b>
<b>11.30 - 12.30</b>	<b>Capital Regulation in a Macroeconomic Model with Three Layers of Default</b> Laurent Clerc (Banque de France), Alexis Derviz (Czech National Bank), Caterina Mendicino (Banco de Portugal), Stéphane Moyen (Deutsche Bundesbank), Kalin Nikolov (ECB), Livio Stracca (ECB), * <b>Javier Suarez</b> (CEMFI and CEPR) and Alexandros Vardoulakis (Federal Reserve Board)
<i>Discussant:</i>	<i>Galo Nuño (Banco de España)</i>
<b>12.30 - 13.30</b>	<b>Breaking the Spell with Credit-Easing: Self-Confirming Credit Crises in Competitive Search Economies</b> Gaetano Gaballo (Banque de France) * <b>Ramon Marimon</b> (European University institute, UPF, Barcelona GSE and CEPR)
<i>Discussant:</i>	<i>Dirk Niepelt (Studienzentrum Gerzensee and CEPR)</i>
<b>13.30 - 15.00</b>	<b>Lunch</b>
<b>15.00</b>	<b>Afternoon Free</b>

## **FRIDAY 30 MAY**

<b>Plenary Session</b>	<b>Topic</b>
<b>09.00 - 10.00</b>	<b>Marginal Tax Rates and Income: New Time Series Evidence</b> * <b>Karel Mertens</b> (Cornell University and CEPR)
<i>Discussant:</i>	<i>Barbara Rossi (ICREA-Univ. Pompeu Fabra, Barcelona GSE and CREI)</i>
<b>10.00 - 11.00</b>	<b>The Gender Unemployment Gap</b> * <b>Stefania Albanesi</b> (Federal Reserve Bank of New York and CEPR) Aysegul Sahin (Federal Reserve Bank of New York)
<i>Discussant:</i>	<i>Gilles Saint-Paul (Toulouse School of Economics and CEPR)</i>
<b>11.00 - 11.30</b>	<b>Coffee Break</b>
<b>11.30 - 12.30</b>	<b>Risk-Taking, Rent-Seeking, and CEO Incentives when Financial Markets are Noisy</b> Elias Albagli (Bank of Chile) * <b>Christian Hellwig</b> (Toulouse School of Economics and CEPR) Aleh Tsyvinski (Yale University)
<i>Discussant:</i>	<i>Pietro Reichlin (LUISS Guido Carli, EIEF and CEPR)</i>
<b>12.30 - 13.30</b>	<b>Endogenous Public Information and Welfare in Market Games</b> * <b>Xavier Vives</b> (IESE, Barcelona-Madrid and CEPR)
<i>Discussant:</i>	<i>Kristoffer Nimark (Universitat Pompeu Fabra and CEPR)</i>

13.30 - 15.00 Lunch

**Parallel Session** | **Topic**

15.00 - 15.45  
**A Political Economy Theory of Populism and Discrimination**  
**\*Gilles Saint-Paul** (Toulouse School of Economics and CEPR)  
Davide Ticchi (IMT Lucca Institute for Advanced Studies)  
Andrea Vindigni (IMT Lucca)

15.45 - 16.30  
**Heterogeneity, Selection and Labor Market Disparities**  
**\*Alessandra Bonfiglioli** (Universitat Pompeu Fabra and CEPR)  
Gino Gancia (CREI, UPF and CEPR)

16.30 - 17.00 Coffee Break

17.00 - 17.15  
**Escaping the Great Recession**  
Leonardo Melosi (Federal Reserve Bank of Chicago)  
**\*Francesco Bianchi** (Duke University and CEPR)

17.45 - 18.30  
**Credit Spreads and Credit Policies**  
Isabel Correia (Bank of Portugal and CEPR)  
**\*Fiorella De Fiore** (ECB)  
Pedro Teles ((Bank of Portugal and CEPR)  
Oreste Tristani (ECB)

**Topic**

**Structural reforms in a debt overhang**  
Javier Andrés (University of Valencia)  
Óscar Arce (Banco de España)  
**\*Carlos Thomas** (Banco de España)

**Inference Based on SVARs Identified with Sign and Zero Restrictions: Theory and Applications**  
**\*Jonas E. Arias** (Federal Reserve Board)  
Juan Francisco Rubio-Ramírez (Duke University and CEPR)  
Daniel F. Waggoner (Federal Reserve Bank of Atlanta)

**Public Information in Populations with Heterogeneous Interests**  
**\*Kristoffer Nimark** (Universitat Pompeu Fabra and CEPR)

**Transparency and Communication within the FOMC: A computational linguistics approach**  
Stephen Hansen (Universitat Pompeu Fabra and GSE)  
**\*Michael MacMahon** (ANU, Bank of England, London School of Economics, University of Warwick and CEPR)  
Andrea Prat (Columbia University, and CEPR)

**\* Indicates the presenter**

**Organisers**

Antonio Ciccone (Mannheim University, Barcelona GSE, and CEPR)  
Giancarlo Corsetti (Cambridge University and CEPR)  
James Costain (Banco de España)  
Wouter den Haan (London School of Economics and CEPR)