

# EUROPEAN SUMMER SYMPOSIUM IN INTERNATIONAL MACROECONOMICS (ESSIM) 2013

Hosted by the  
Central Bank of the Republic of Turkey (CBRT)

Izmir, Turkey; 21-24 May 2013

## Draft Programme

### Monday 20 May

Registration is open for all arrivals before dinner

19.30 – 21.30 Dinner (open buffet)

### Tuesday 21 May

From 07.00 Breakfast (open buffet)

08.15 - 08.45 Registration (for participants arriving after dinner 20 May) and Coffee

08.45-09.00 Introductory Remarks: *Erdem Başçı (Governor of the Central Bank of the Republic of Turkey)*

### **Plenary Session**

09.00 - 10.00 **The Great Recession: A Self-Fulfilling Global Panic**  
Philippe Bacchetta\* (University of Lausanne and CEPR)  
Eric van Wincoop (University of Virginia and NBER)

*Discussant:* *Alan Sutherland (University of St Andrews and CEPR)*

10.00-10.30 **Coffee Break**

10.30-11.30 **Microselection and Macrodynamics**  
Gilles Saint-Paul\* (Toulouse School of Economics and CEPR)

*Discussant:* *Martí Mestieri (Toulouse School of Economics)*

### **Parallel Session**

#### **1A**

11.40-12.25 **The Forward Looking Behavior of Hiring and Investment**  
Eran Yashiv\* (Tel Aviv University and CEPR)

#### **1B**

**Rare Disasters and Risk Sharing**  
Çagri Akkoyun\* (CBRT)  
Yavuz Arslan (CBRT)  
Fatih Fazilet (CBRT)  
Necati Tekatli (CBRT)

12.30 Photo session

13.30-14.30 Lunch

**Parallel Session 2A**

**14.30-15.15 A Volatility-based Theory of Fiscal Union Desirability**  
José Tavares\* (Universidade Nova de Lisboa and CEPR)  
Jaime Luque (University of Wisconsin-Madison)  
Massimo Morelli (Columbia University)

**15.15-16.00 Banking across Borders**  
Friederike Niepmann\* (Federal Reserve Bank of New York)

16.00-16.30 Coffee Break

**Parallel Session 3A**

**16.30-17.15 Inflation Dynamics during the Financial Crisis**  
Jae Sim\* (Federal Reserve Board)  
Simon Gilchrist (Boston University)  
Raphael Schoenle (Brandeis University)  
Egon Zakrajsek (Federal Reserve Board)

**17.15-18.00 Accounting for Idiosyncratic Wage Risk Over the Business Cycle**  
Tamás Papp\* (Institute for Advanced Studies)  
Alisdair McKay (Boston University)

19.30 – 21.30 Dinner (open buffet)

**2B**

**Capital Controls or Exchange Rate Policy? A Pecuniary Externality Perspective**  
Alessandro Rebucci\* (Inter-American Development Bank)  
Gianluca Benigno (London School of Economics and CEPR)  
Huigang Chen (MarketShare Partners)  
Christopher Otrok (University of Missouri and Federal Reserve Bank of St Louis)

**Optimal Exchange Rate Policy Under Collateral Constraints and Wage Rigidity**  
Pablo Ottonello\* (Columbia University)

**3B**

**Banking with Uninsured Liabilities: Spain in the 1860s**  
Alessio Moro\* (Università di Cagliari)  
Galo Nuno (European Central Bank)

**Market Deregulation and Optimal Monetary Policy in a Monetary Union**  
Matteo Cacciatore\* (HEC Montreal)  
Fabio Ghironi (Boston College)  
Giuseppe Fiori (North Carolina State University)

**Wednesday 22 May**

From 07.00 Breakfast (open buffet)

**Plenary Session**

**09.00 - 10.00 Debt and Incomplete Financial Markets: A Case for Nominal GDP Targeting**  
Kevin Sheedy\* (London School of Economics and CEPR)

*Discussant:* Cosmin Ilut (Duke University)

**10.00 - 10.30 Coffee Break**

<b>10.30 - 11.30</b>	<b>Booms and Systemic Banking Crises</b> Frédéric Boissay* (European Central Bank) Fabrice Collard (University of Bern) Frank Smets (European Central Bank and CEPR)	
<i>Discussant:</i>	<i>Robert Kollman (ECARES, Université Libre de Bruxelles and CEPR)</i>	
<b>Parallel Session</b>	<b>1A</b>	<b>1B</b>
<b>11.40 - 12.25</b>	<b>Intermediate Goods, Firm Size, and Import Content of Production</b> Mehmet Fatih Ulu* (CBRT)	<b>The ECB Unconventional Monetary Policies: Have They Lowered Market Borrowing Costs for Banks and Governments?</b> Urszula Szczerbowicz* (CEPR)
<b>13.30-14.30</b>	<b>Lunch</b>	
<b>Parallel Session</b>	<b>2A</b>	<b>2B</b>
<b>14.30 - 15.15</b>	<b>Macroeconomic Dynamics in a Model of Goods, Labor and Credit Market Frictions</b> Etienne Wasmer* (Sciences Po Paris and CEPR) Nicolas Petrosky-Nadeau (Carnegie-Mellon University)	<b>Entrepreneurs, Managers and Inequality</b> Sang Yoon Lee* (University of Mannheim)
<b>15.15 - 16.00</b>	<b>Government Debt and Banks: Evidence from a Rare Disaster in an Era of Financial Repression</b> Sebnem Kalemli-Ozcan* (University of Maryland and CEPR) Soner Baskaya (CBRT)	<b>Granger-Causal-Priority and Choice of Variables in Vector Autoregressions</b> Marek Jarocinski* (European Central Bank) Bartosz Mackowiak (European Central Bank and CEPR)
<b>16.00-16.30</b>	<b>Coffee Break</b>	
<b>Parallel Session</b>	<b>3A</b>	<b>3B</b>
<b>16.30 - 17.15</b>	<b>The Puzzling Change in the International Transmission of U.S. Macroeconomic Policy Shocks</b> Ethan Ilzetzki* (London School of Economics) Keyu Jin (London School of Economics)	<b>Uncertainty shocks, asset supply and pricing over the business cycle</b> Cosmin Ilut* (Duke University) Francesco Bianchi (Duke University) Martin Schneider (Stanford University and CEPR)
<b>17.15 - 18.00</b>	<b>The Fossile Episode (CEPR DP 9256)</b> John Hassler* (Stockholm University and CEPR) Hans-Werner Sinn (CESifo)	<b>Bank Balance Sheets in the Financial Crisis</b> Michele Lenza* (European Central Bank) Domenico Giannone (ECARES-Université Libre de Bruxelles and CEPR) Huw Pill (Goldman Sachs) Lucrezia Reichlin (London Business School and CEPR)

### ***Wednesday 22 May continued***

**19.30 – 21.30** Dinner (open buffet)

### **Thursday 23 May**

**From 07.00** Breakfast (open buffet)

#### **Plenary Session**

**09.00 - 10.00** **An Equilibrium Model of the African HIV/AIDS Epidemic**

Michèle Tertilt\* (University of Mannheim and CEPR)

Jeremy Greenwood (University of Pennsylvania)

Philipp Kircher (London School of Economics and CEPR)

Cezar Santos (University of Mannheim)

*Discussant:* John Knowles (University of Southampton)

**10.00-10.30** **Coffee Break**

**10.30 - 11.30** **The Forward Guidance Puzzle**

Marc Giannoni\* (Columbia University and CEPR)

Marco Del Negro (Federal Reserve Bank of New York)

Christina Patterson (Federal Reserve Bank of New York)

*Discussant:* Rafael Wouters (National Bank of Belgium)

#### **Parallel Session**

**A**

**B**

**11.40-12.25** **The Empirical Implications of the Interest-Rate Lower Bound**

J David López-Salido\* (Federal Reserve Board and CEPR)

Christopher Gust (Federal Reserve Board)

Matthew Smith (Federal Reserve Board)

**Isolated Capital Cities and Misgovernance: Theory and Evidence**

Bernardo Guimarães\* (São Paulo School of Economics and CEPR)

Filipe R. Campante (Harvard University)

Quoc-Anh Do (Sciences Po Paris)

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

**14.30** **Afternoon Off**

**19.30 – 21.30** Dinner (open buffet)

### **Friday 24 May**

**From 07.00** Breakfast (open buffet)

#### **Plenary Session**

**09.00 - 10.00** **Credibility For Sale**

Dirk Niepelt\* (Study Center Gerzensee and CEPR)

Harris Dellas (University of Bern and CEPR)

*Discussant:* Tobias Broer (IIES, Stockholm University and CEPR)

<b>10.00 - 10.30</b>	<b>Coffee Break</b>	
<b>10.30 - 11.30</b>	<b>The Making Of A Great Contraction With A Liquidity Trap and A Jobless Recovery</b> Stephanie Schmitt-Grohé* (Columbia University and CEPR) Martin Uribe (Columbia University)	
<i>Discussant:</i>	<i>Evi Pappa (EUI, UAB, BGSE, and CEPR)</i>	
<b>Parallel Session</b>	<b>1A</b>	<b>1B</b>
<b>11.40-12.25</b>	<b>The Labor Market Consequences of Financial Crises With or Without Inflation: Jobless and Wageless recoveries</b> Fabrizio Coricelli* (Paris School of Economics and CEPR) Guillermo Calvo (Columbia University) Pablo Ottonello (Columbia University)	<b>Financing Constraints, Firm Dynamics and Innovation</b>  Andrea Caggese* (Universitat Pompeu Fabra)
<b>13.30 - 14.30</b>	<b>Lunch</b>	
<b>Parallel Session</b>	<b>2A</b>	<b>2B</b>
<b>14.30 - 15.15</b>	<b>The Global Labor Market Impact of Emerging Giants: a Quantitative Assessment</b> Andrei A Levchenko* (University of Michigan) Jing Zhang (University of Michigan)	<b>The Allocation of Time in the US and Continental Europe</b> Georg Duernecker* (University of Mannheim) Berthold Herrendorf (Arizona State University)
<b>15.15 - 16.00</b>	<b>De-industrialization of the Riches and the Rise of China</b> Murat Üngör* (CBRT)	<b>Agricultural Productivity and Structural Transformation: Evidence from Brazil</b> Bruno Caprettini* (Universitat Pompeu Fabra) Paula Bustos (CREI and CEPR) Jacopo Ponticelli (Universitat Pompeu Fabra)

\* Indicates the presenter

### Organisers

Antonio Ciccone (ICREA-Universitat Pompeu Fabra, Barcelona GSE and CEPR)  
Giancarlo Corsetti (Cambridge University and CEPR)  
Wouter Den Haan (London School of Economics and CEPR)  
Necati Tekatli (Central Bank of the Republic of Turkey)