EURO AREA BUSINESS CYCLE NETWORK (EABCN)

Inflation Developments after the Great Recession

Eltville (Frankfurt), 6-7 December 2013
Hosted by the Deutsche Bundesbank

A Euro Area Business Cycle Network (EABCN) Conference
www.eabcn.org

Organisers:
Sandra Eickmeier (Deutsche Bundesbank and CAMA)
Michael Krause (University of Cologne)
Eric Leeper (Indiana University, Monash University and NBER)
Massimiliano Marcellino (Bocconi University, IGIER, EABCN and CEPR)

The event is hosted by the Deutsche Bundesbank and sponsored by the EABCN

Programme

Friday 6 December

9.00-9.30  Registration

9.30-10.00  Opening Remarks
Jens Weidmann (Governor, Deutsche Bundesbank)

Chair: Heinz Herrmann (Deutsche Bundesbank)

10.00-11.00  The Making of a Great Contraction with a Liquidity Trap and a Jobless Recovery
*Stephanie Schmitt-Grohé (Columbia University and CEPR) and Martín Uribe (Columbia University)

Discussant: Roberto M Billi (Sveriges Riksbank)

11.00-12.00  An Empirical Assessment of Optimal Monetary Policy Delegation in the Euro Area
Xiaoshan Chen (University of Glasgow), Tatiana Kirsanova (University of Glasgow) and *Campbell Leith (University of Glasgow)

Discussant: Leo von Thadden (Universität Mainz and European Central Bank)

12.00-13.30  Lunch

13.30-14.30  Poster Session 1
Chair: Eric Leeper (Indiana University, Monash University and NBER)

14.30-15.30  Currency unions, fiscal policy and reversibility risk
Alexander Kriwoluzky (University of Bonn), *Gernot Müller (University of Bonn and CEPR) and Martin Wolf (University of Bonn)

Discussant: Matthias Hoffmann (Deutsche Bundesbank)

15.30-16.00  Coffee Break
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<tr>
<td>16.00-17.00</td>
<td>Inflation Experience and Inflation Expectations: Spatial Evidence</td>
<td>Marcel Fratzscher (DIW Berlin, Humboldt University and CEPR) *Refet S. Gürkaynak (Bilkent University and CEPR) and Gülserim Özcan (Bilkent University)</td>
<td>Ana Galvão (University of Warwick)</td>
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<td>17.00-18.00</td>
<td>Are Consumer Expectations Theory-Consistent? The Role of Macroeconomic Determinants and Central Bank Communication</td>
<td>Lena Dräger (University of Hamburg), Michael J. Lamla (University of Essex and ETH Zurich) and *Damjan Pfajfar (CentER and EBC, University of Tilburg)</td>
<td>Malte Knüppel (Deutsche Bundesbank)</td>
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**Saturday 7 December**

Chair: Sandra Eickmeier (Deutsche Bundesbank and CAMA)

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<tr>
<td>09.00-10.00</td>
<td>Measuring the Slowly Evolving Trend in US Inflation with Professional Forecasts</td>
<td>*Jim Nason (North Carolina State University) and Gregor W Smith (Queen’s University)</td>
<td>Marta Banbura (European Central Bank)</td>
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<td>10.00-11.00</td>
<td>A money based indicator for deflation risk in the Euro Area</td>
<td>*Giovanni Amisano (European Central Bank) Roberta Colavecchio (University of Hamburg) and Gabriel Fagan (European Central Bank)</td>
<td>Samuel Reynard (Swiss National Bank)</td>
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<td>11.00-11.30</td>
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<td>Michael Krause (Deutsche Bundesbank)</td>
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<td>11.30-12.30</td>
<td>The Macroeconomics of Trend Inflation</td>
<td>*Guido Ascari (University of Oxford and University of Pavia) and Argia M. Sbordone (Federal Reserve Bank of New York)</td>
<td>Günter Coenen (European Central Bank)</td>
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<td>12.30-13.30</td>
<td>Lunch</td>
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<td>13.30-14.30</td>
<td>Poster Session 2</td>
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<td>14.30-15.30</td>
<td>Inflation in the Great Recession and New Keynesian Models</td>
<td>*Marc Giannoni (Federal Reserve Bank of New York and CEPR), Marco Del Negro (Federal Reserve Bank of New York) and Frank Schorheide (University of Pennsylvania and CEPR)</td>
<td>Bartosz Mackowiak (European Central Bank and CEPR)</td>
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* Indicates the presenter.

Sessions are divided into 35 minutes for the presenter, 15 minutes for discussant and 10 minutes for general discussion.
Poster Session 1 (Friday 6 December)

**Risks to Price Stability, the Zero Lower Bound and Forward Guidance: A Real-Time Assessment**
*Günter Coenen (European Central Bank) and Anders Warne (European Central Bank)*

**Fiscal Policy and Inflation in a Monetary Union**
José-Miguel Cardoso-Costa (Portuguese Treasury and Government Debt Agency and Universidade Nova de Lisboa) and *Vivien Lewis (Catholic University of Leuven)*

**Inflation Zone Targeting and Skewed Inflation Expectations**
Ulrich Fritsche (Universität Hamburg), *Jan-Oliver Menz (Deutsche Bundesbank)*, and Christian Pierdzioch (Helmut-Schmidt-Universität Hamburg)

**Modeling the Term Structure of Interest Rates in a Dynamic Hierarchical Factor Model**
Keyvan Dehmamy (Goethe University, Frankfurt) and *Arne Halberstadt (Deutsche Bundesbank)*

**How New Keynesian is the US Phillips Curve?**
Ragna Alstadheim (Norges Bank)

**Exchange Rate and Price Dynamics in a Small Open Economy – The Role of the Zero Lower Bound and Monetary Policy Regimes**
*Gregor Bäurle (Swiss National Bank) and Daniel Kaufmann (Swiss National Bank)*

**Random Wage Indexation and Optimal Monetary Policy**
*Jonathan Attey (Erasmus University Rotterdam) and Casper G. de Vries (Erasmus University Rotterdam)*

**The Phillips Curve Is Stable – But Frequency-Dependence Implies a Wiggly NAIRU**
Richard Ashley (Virginia Tech) and *Randal Verbrugge (Federal Reserve Bank of Cleveland)*

Poster Session 2 (Saturday 7 December)

**Assessing Potential Inflation Consequences of QE after Financial Crises**
Samuel Reynard (Swiss National Bank)

**Understanding inflation expectations after the Great Recession**
Matteo Ciccarelli (European Central Bank) and *Juan Angel García (European Central Bank)*

**Inflation, Unemployment, and Labor Force: The Phillips Curve and Long-term Projections for Japan**
Ivan O. Kitov (Russian Academy of Sciences) and *Oleg Kitov (University of Oxford)*

**Inflation Expectation Dynamics: The Role of Past, Present and Forward Looking Information**
Paul Hubert (OFCE – Sciences Po) and *Harun Mirza (University of Bonn)*

**The Distribution of Inflation among Austrian Households**
Pirmin Fessler (Oesterreichische Nationalbank) and *Friedrich Fritzer (Oesterreichische Nationalbank)*

**Do Consumers in Europe Anticipate Future Inflation? Has it Changed Since the Beginning of the Financial Crisis?**
Tomasz Lyziak (Economic Institute, National Bank of Poland) and *Joanna Mackiewicz-Lyziak (University of Warsaw)*

**Adaptive Models and Heavy Tails**
*Davide Delle Monache (Queen Mary University of London) and Ivan Petrella (Birkbeck College, University of London and CEPR)*