

## **European Summer Symposium in International Macroeconomics (ESSIM) 2007**

Izmir, Turkey

14 - 19 May 2007

*Draft Programme*

### **Tuesday 15 May 2007**

13.30-14.00            **Registration and Welcome**

#### **Parallel Session: Monetary Policy**

14.00-15.00            **Inflation as a Redistribution Shock: Effects on Aggregates and Welfare**  
\*Matthias Doepke (UCLA and CEPR)  
Martin Schneider (New York University)

15.00-16.00            **Monetary Policy Analysis with Potentially Misspecified Models**  
\*Marco del Negro (Federal Reserve Bank of Atlanta)  
Frank Schorfheide (University of Pennsylvania and CEPR)

16.00-16.30            Coffee Break

16.30-17.30            **Does Inflation Targeting Anchor Inflation Expectations? Evidence  
from Long-Term Bond Yields in the US, UK and Sweden**  
\*Refet S. Gürkaynak (Bilkent University and CEPR)  
Andrew Levin (Federal Reserve Board and CEPR)  
Eric Swanson (Federal Reserve Bank of San Francisco)

#### **Labor markets**

14.00-15.00            **Inferring Labor Income Risk from Economic Choices: An Indirect Inference  
Approach**  
\*Fatih Guvenen (University of Texas at Austin)  
Anthony Smith (Yale University)

15.00-16.00            **Labor-Market Matching with Precautionary Savings and Aggregate  
Fluctuations**  
\*Aysegul Sahin (Federal Reserve Bank of New York)

Per Krusell (Princeton University, IIES and CEPR)  
Toshihiko Mukoyama (University of Virginia):

16.00-16.30 Coffee Break

16.30-17.30 **Aggregate and Idiosyncratic Risk in a Frictional Labor Market**  
\*Leena Rudanko (University of Chicago)

## Wednesday 16 May 2007

### Morning Programme

#### **Plenary Session: Growth and Development**

09.00-10.00 **On the Theory of Ethnic Conflict**  
\*Francesco Caselli (LSE and CEPR)  
John Coleman (Duke University)

Discussant: Raquel Fernández (New York University and CEPR)

10.00-11.00 **When Does Domestic Saving Matter for Economic Growth?**  
\*Diego Comin (New York University)  
Philippe Aghion (Harvard University and CEPR)  
Peter Howitt (Brown University)

Discussant: John Hassler (Stockholm University and CEPR)

11.00-11.30 Coffee Break

11.30-12.30 **Why does capital flow to rich states?**  
\*Bent Sorensen (University of Houston and CEPR)  
Sebnem Kalemli-Ozkan (University of Houston)  
Ariell Reshef (New York University)  
Oved Yosha (Deceased, formerly at Tel Aviv University)

Discussant: Francesco Caselli (LSE and CEPR)

13.00-14.00 **Capital Flows to Developing Countries: the Allocation Puzzle**  
\*Olivier Jeanne (IMF and CEPR)  
Pierre-Olivier Gourinchas (UC Berkeley and CEPR)

Discussant: Assaf Razin (CEPR)

14.00-15.30 Lunch

## Afternoon Programme

### Parallel Sessions

#### **Public Policy**

- 15.30-16.30      **The Role of Immigration in Sustaining the Social Security System: A Political Economy Approach**  
\*Assaf Razin (CEPR)  
Edith Sand (Tel-Aviv University)
- 16.30-17.30      **Technology and Labor Regulations**  
\*Joseph Zeira (The Hebrew University of Jerusalem and CEPR)  
Alberto Alesina (Harvard University and CEPR)
- 17.30-18.00      Coffee Break
- 18.00-19.00      **Credible Redistributive Policies and Migration across US States**  
\*Francesc Ortega (Universitat Pompeu Fabra)  
Roc Armenter (Federal Reserve Bank of New York)

#### **Housing credit markets**

- 15.30-16.30      **From Shirtsleeves to Shirtsleeves in a Long Lifetime**  
\*Alex Michaelides (LSE and CEPR)  
Nobuhiro Kiyotaki (Princeton University and CEPR)  
Kalin Nikolov (Bank of England)
- 16.30-17.30      **Hot and Cold Seasons in the Housing Markets: A Price Puzzle**  
Silvana Tenreyro (LSE and CEPR)
- 17.30-18.00      Coffee Break
- 18.00-19.00      **Finance and Competition**  
\*Harris Dellas (Bern University and CEPR)  
Ana Fernandes (Bern University)

## **Thursday 17 May 2007**

### Morning Programme

#### **Plenary Session: Sovereign debt**

- 08.45-09.45      **Debt-Maturity without Commitment**  
\*Dirk Niepelt (Study Center Gerzensee and CEPR)
- Discussant:      Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)

- 09.45-10.45            **Optimal external debt and default**  
Bernardo Guimarães (LSE and CEPR)
- Discussant:            Alberto Martin (CREI and Universitat Pompeu Fabra)
- 10.45-11.00            Coffee Break
- 11.00-12.00            **Sovereign Risk and Secondary Markets**  
\* Alberto Martin (CREI and Universitat Pompeu Fabra)  
Fernando Broner (CREI, Universitat Pompeu Fabra and CEPR)  
Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)
- Discussant:            Olivier Jeanne (IMF and CEPR)
- 12.00-13.00            **Lending to the Borrower from Hell: Debt Sustainability in the Age of Philip II**  
\*Hans-Joachim Voth (Universitat Pompeu Fabra, DEE and CEPR)  
Mauricio Drelichman (University of British Columbia, UBC)
- Discussant:            Richard Portes (LSE and CEPR)
- 13.00-14.00            Lunch

Afternoon Programme

- 14.00 – 18.00            Sightseeing: Ancient city of Ephesus & The Virgin Mary House

**Friday 18 May 2007**

Morning Programme

**Plenary Session:    Labor markets**

- 09.00-10.00            **The Evolution of the U.S. Wage Distribution**  
\*Burhan Kuruscu (University of Texas at Austin)  
Fatih Guvenen (University of Texas)
- Discussant:            Chris Pissarides (LSE and CEPR)
- 10.00-11.00            **Wage Rigidity and Job Creation**  
\*Thijs Van Rens (CREI and Universitat Pompeu Fabra)  
Christian Haefke (Institute for Advanced Studies)
- Discussant:            Gueorgui Kambourov (University of Toronto)
- 11.00-11.30            Coffee Break
- 11.30-12.30            **Understanding Jobless Recoveries: A Tale of Two Margins**  
\*Ruediger Bachmann (Yale University)

Discussant: Rachel Ngai (LSE)

13.00-14.00 **The Unemployment Volatility Puzzle: Is Wage Stickiness the Answer**  
\*Chris Pissarides (LSE and CEPR)

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

14.00-15.30 Lunch

### Afternoon Programme

#### Parallel Sessions

##### **Trade and Financial Liberalization**

15.30-16.30 **The Impact of Trade on Technology and Skill Upgrading: Evidence from Argentina**  
Paula Bustos (CREI and Universitat Pompeu Fabra)

16.30-17.30 **Growth and Risk at the Industry Level: the Real Effects of Financial Liberalization**  
\*Mathias Thoenig (Université de Geneve and CEPR)  
Andrei Levchenko (IMF)  
Romain Rancière (IMF)

17.30-18.00 Coffee Break

18.00-19.0 **Adjusting to Capital Account Liberalization**  
\*Gianluca Benigno (LSE and CEPR)  
Kosuke Aoki (LSE and CEPR)  
Nobuhiro Kiyotaki (Princeton University and CEPR)

##### **Business cycles**

15.30-16.30 **Vintage Capital and Expectations Driven Business Cycles**  
Martin Flodén (Stockholm School of Economics and CEPR)

16.30-17.30 **Running out of the Devil's Excrement**  
\*Martin Ellison (Warwick University and CEPR)  
Andrew Scott (London Business School and CEPR)

17.30-18.00 Coffee Break

18.00-20.0 **Real Origins of the Great Depression: Monopolistic Competition, Union Power and the American Business Cycle in the 1920's**  
\*Monique Ebell (Humboldt University of Berlin)  
Albrecht Ritschl (Humboldt University of Berlin: School of Business and Economics and CEPR)

## Saturday 19 May 2007

### Morning Programme

#### **Plenary Session: International transmission and prices**

09.00-10.00

##### **The equilibrium value of the world real interest rate**

\*Lucrezia Reichlin (European Central Bank and CEPR)  
Domenico Giannone (Université Libre de Bruxelles and CEPR)  
Michele Lenza (European Central Bank)

Discussant:

Giancarlo Corsetti (European University Institute and CEPR)

10.00-11.00

##### **Productivity, the dollar and the US trade balance**

\*Luca Dedola (European Central Bank and CEPR)  
Giancarlo Corsetti (European University Institute and CEPR)  
Sylvain Leduc (Federal Reserve Bank of Philadelphia)

Discussant:

Silvana Tenreyro (LSE and CEPR)

11.00-11.30

Coffee Break

11.30-12.30

##### **Pricing to Habits and the Law of One Price**

Stephanie Schmitt-Grohé (Duke University and CEPR)  
Morten Ravn (European University Institute and CEPR)  
Martin Uribe (Duke University)

Discussant:

Philippe Martin (University of Paris I and CEPR)

13.00-14.00

##### **A Framework for Identifying the Sources of Local Currency Price Stability with an Empirical Application**

\*Rebecca Hellerstein (Federal Reserve Bank of New York)  
Pinelopi Goldberg (Yale University)

Discussant:

Morten Ravn (European University Institute and CEPR)

14.00-15.30

Lunch

#### **Organizers**

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