

# 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, Greqmaq 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)