

EUROPEAN SUMMER SYMPOSIUM IN INTERNATIONAL MACROECONOMICS (ESSIM) 2011

Hosted by
Study Center Gerzensee

Gerzensee, Switzerland; 31 May – 3 June 2011

DRAFT PROGRAMME

TUESDAY 31 MAY

08.15 - 08.45 Registration and Coffee

08.50-09.00 Welcome speech: Dirk Niepelt (Director, Study Center Gerzensee and CEPR)

Plenary Session | Fiscal Policy

09.00 - 10.00 **Tax Cuts, Redistribution, and Borrowing Constraints**
*Tommaso Monacelli (IGIER, Università Bocconi and CEPR)
Roberto Perotti (IGIER, Università Bocconi and CEPR)

Discussant:

10.00 - 11.00 **Confidence and the Transmission of Government Spending Shocks**
Rüdiger Bachmann (University of Michigan)

Discussant: *Carlo Favero (IGIER, Università Bocconi and CEPR)*

11.00 - 11.30 **Coffee Break**

Plenary Session | Female Empowerment/Intellectual Competition

11.30 - 12.30 **Does Female Empowerment Promote Economic Development?**
Matthias Doepke (Northwestern University and CEPR)
*Michèle Tertilt (Stanford University and CEPR)

Discussant: *Alice Schoonbroodt (University of Southampton)*

12.30 - 13.30 **Intellectual influence and macroeconomic outcomes**
Gilles Saint-Paul (Toulouse School of Economics and CEPR)

Discussant: *Bernardo Guimarães (Fundacao Getulio Vargas and CEPR)*

13.30 - 14.30 **Lunch**

Parallel Session | Capital Flows I

Money and Information

14.30 - 15.30	Global Banking and International Business Cycles Zeno Enders (University of Bonn) *Robert Kollmann (ECARES and CEPR) Gernot Mueller (University of Bonn and CEPR)	Equilibrium selection in a fundamental model of money Luis Araujo (Michigan State University) *Bernardo Guimarães (Fundacao Getulio Vargas and CEPR)
15.30 - 16.30	The Demand for Liquid Assets, Corporate Saving, and Global Imbalances Philippe Bacchetta (Université de Lausanne and CEPR) *Kenza Benhima (Université de Lausanne)	Consumers' Imperfect Information and Nominal Rigidities Jean-Paul L'Huillier (EIEF)
16.30 - 17.00	Coffee Break	
	Capital Flows I	Education and Labour Markets
17.00 - 18.00	International Capital Flows and Credit Market Imperfections: a Tale of Two Frictions Alberto Martin (London School of Economics and CEPR) *Filippo Taddei (Collegio Carlo Alberto)	Option Value and Transitions in a Model of Postsecondary Education Nicholas Trachter (EIEF)
18.00 - 19.00	How Do Global Firms Affect Productivity? Diversification or Returns Christian Fons-Rosen (Universitat Pompeu Fabra) Sebnem Kalemli-Ozcan (University of Houston and CEPR) Bent Sorensen (University of Houston and CEPR) *Carolina Villegas-Sanchez (University of Houston) Vadym Volosovych (Erasmus University)	Worker Matching and Firm Value Espen R. Moen (Norwegian School of Management and CEPR) *Eran Yashiv (Tel Aviv University and CEPR)

WEDNESDAY 1 JUNE

Plenary Session

Business Cycle Theory

08.30 - 09.30

Bubbly Business Cycles: A Quantitative Exploration

Vasco Carvalho (CREI and Universitat Pompeu Fabra)
*Alberto Martin (CREI, Universitat Pompeu Fabra and CEPR)
Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)

Discussant:

Philippe Bacchetta (Université de Lausanne and CEPR)

09.30 - 10.30

Man-bites-dog driven business cycles

Kristoffer Nimark (CREI, Universitat Pompeu Fabra and CEPR)

Discussant:

Cosmin Ilut (Duke University)

10.30 - 10.45

Coffee Break

10.45 - 11.45

Animal Spirits, Persistent Unemployment and the Belief Function

Roger Farmer (University of California, Los Angeles and CEPR)

Discussant:

11.45 - 12.45

Financial Business Cycle

Matteo Iacoviello (Federal Reserve Board)

Discussant:

13.00 Afternoon Free

Excursion to the Bernese Alps (Bus departs at 13.00)

THURSDAY 2 JUNE

Plenary Session | Monetary Policy

09.00 - 10.00 **Optimal Target Criteria for Stabilization Policy**
*Marc Giannoni (Columbia University)
Michael Woodford (Columbia University and CEPR)

Discussant:

10.00 - 11.00 **Is there a Trade-off Between Inflation and Output Stabilization?**
Alejandro Justiniano (Federal Reserve Bank of Chicago)
*Giorgio Primiceri (Northwestern University and CEPR)
Andrea Tambalotti (Federal Reserve Bank of New York)

Discussant: *Francesco Bianchi (Duke University)*

11.00 - 11.30 **Coffee Break**

Plenary Session | Energy and Climate

11.30 - 12.30 **Energy-Saving Technical Change**
John Hassler (IIES, Stockholm University and CEPR)

Discussant: *Lutz Kilian (University of Michigan and CEPR)*

12.30 - 13.30 **The Long-Lived Effects of Historic Climate on the Wealth of Nations**
John C. Bluedorn (IMF)
*Akos Valentinyi (Cardiff Business School and CEPR)
Michael Vlassopoulos (University of Southampton)

Discussant: *Giacomo Ponzetto (CREI and Universitat Pompeu Fabra)*

13.30 - 14.30 **Lunch**

Parallel Session | Trade, Productivity and Oil

14.30 - 15.30 **The Evolution of Comparative Advantage: Measurement and Welfare Implications**
*Andrei Levchenko (University of Michigan)
Jing Zhang (University of Michigan)

15.30 - 16.30 **Low-Wage Import Competition, Inflationary Pressure, and Industry Dynamics in Europe**
Raphael Auer (Swiss National Bank)
Kathrin Degen (Université de Lausanne)
*Andreas Fischer (Swiss National Bank and CEPR)

16.30 - 17.00 **Coffee Break**

17.00 - 18.00 **Financing Constraints, Export Decisions, and Aggregate Productivity**
*Andrea Caggese (Universitat Pompeu Fabra)
Vicente Cuñat (London School of Economics)

Capital Flows II

Evidence for Dynamic Contracts in Sovereign Bank Lending
*Péter Benczúr (Magyar Nemzeti Bank)
Cosmin Ilut (Duke University)

Country portfolios and the international dimension of monetary policy
*Luca Dedola (European Central Bank and CEPR)
Giovanni Lombardo (European Central Bank)

Reforms, Finance, and Current Accounts
Giuseppe Bertola (Università degli studi di Torino and CEPR)
*Anna Lo Prete (Università degli studi di Torino)

18.00 - 19.00	The Role of Inventories and Speculative Trading in the Global Market for Crude Oil *Lutz Kilian (University of Michigan) Daniel Murphy	Ambiguous Business Cycles *Cosmin Ilut (Duke University) Martin Schneider (Stanford University and CEPR)
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FRIDAY 3 JUNE

Plenary Session | Prices and Investment

09.00 - 10.00 **Optimal Price Setting with Observation and Menu Costs**
 Fernando Alvarez (University of Chicago)
 Francesco Lippi (Università di Sassari, EIEF and CEPR)
 *Luigi Paciello (EIEF)

Discussant: Kevin Sheedy (London School of Economics and CEPR)

10.00 - 11.00 **The Social Cost of Near-Rational Investment**
 *Tarek Hassan (Booth School of Business, University of Chicago)
 Thomas Mertens (NYU)

Discussant: Bartosz Adam Mackowiak (European Central Bank and CEPR)

11.00 - 11.30 **Coffee Break**

Plenary Session | Unemployment

11.30 - 12.30 **Pegs and Pain**
 *Stephanie Schmitt-Grohé (Columbia University)
 Martin Uribe (Columbia University)

Discussant:

12.30 - 13.30 **Financial markets and unemployment**
 Tommaso Monacelli (IGIER, Università Bocconi and CEPR)
 Vincenzo Quadrini (University of Southern California and CEPR)
 *Antonella Trigari (IGIER, Università Bocconi)

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

13.30 - 14.30 **Lunch**

Parallel Session | Political Economy and Development

14.30 - 15.30 **Migration and the Generosity of the Welfare State: Political Economy Dynamic Policy Formation**
 Assaf Razin (Cornell University and CEPR)

15.30 - 16.30 **Economic and Politico-Economic Equivalence of Fiscal Policies**
 Martin Gonzalez-Eiras (Universidad de San Andres)
 *Dirk Niepelt (Studycenter Gerzensee and CEPR)

Policy

On the Transmission Mechanism of Fiscal Policy Shocks: Some International Evidence
 *Carlo Favero (IGIER, Università Bocconi and CEPR)
 Francesco Giavazzi (IGIER, Università Bocconi and CEPR)
 Jacopo Perego (Università Bocconi)

How Useful are Estimated DSGE Model Forecasts for Central Bankers?
 Rochelle Edge (Federal Reserve Board)
 *Refet Gürkaynak (Bilkent University and CEPR)

16.30 - 17.00 **Coffee Break**

17.00 - 18.00		Heterogeneous Responses and the Aggregate Impact of the 2001 Income Tax Rebates Kanishka Misra (London Business School) *Paolo Surico (London Business School and CEPR)
18.00 - 19.00	Slavery, Education, and Inequality *Graziella Bertocchi (Università di Modena and CEPR) Arcangelo Dimico (University of Nottingham)	Non-standard monetary policy measures and monetary developments Domenico Giannone (ULB and CEPR) *Michele Lenza (European Central Bank and CEPR) Huw Pill (European Central Bank) Lucrezia Reichlin (London Business School and CEPR)

* Indicates the presenter

Organisers

Giancarlo Corsetti (Cambridge University and CEPR)
 Per Krusell (Princeton University, IIES and CEPR)
 Dirk Niepelt (Study Center Gerzensee and CEPR)
 Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)