



European Summer Symposium in International Macroeconomics (ESSIM) 2006

Tarragona, 24-28 May 2006

Final Programme

Wednesday, 24 May

Morning Programme

09.00-09.30 Introductory remarks by Jose Luis Malo de Molina (DG Economics, Statistics and Research, Banco de España)

Plenary Session: Monetary and Fiscal Policy

09.30-10.30 **Optimal Monetary and Fiscal Policy in a Currency Union**
Jordi Gali (CREI, Universitat Pompeu Fabra and CEPR)
*Tommaso Monacelli (IGIER, Università Bocconi and CEPR)

Discussant: Gauti Eggertsson (Federal Reserve Bank of New York)

10.30-11.30 **Aggregating Philips Curves**
Jean Imbs (Haute Ecole de Commerce, HEC and CEPR)
Eric Jondeau (HEC Lausanne)
Florian Pelgrin (HEC Lausanne)

Discussant: Marco Del Negro (Federal Reserve Bank of Atlanta)

11.30-12.00 Coffee Break

12.00-13.00 **Tax Buyouts**
Marco Del Negro (Federal Reserve Bank of Atlanta)
*Fabrizio Perri (Stern School of Business, New York University and CEPR)
Fabiano Schivardi (Bank of Italy and CEPR)

Discussant: Pietro Reichlin (Università LUISS G. Carli and CEPR)

13.00-14.00 **Monetary Policy with Single Instrument Feedback Rules**
Bernardino Adão (Banco de Portugal)
Maria Isabel Horta Correia (Banco de Portugal, Universidade Católica Portuguesa FCEE and CEPR)
*Pedro Teles (Banco de Portugal, Universidade Católica Portuguesa FCEE and CEPR)

Discussant: Evi Pappa (LSE, Universitat Autònoma de Barcelona and CEPR)

14.00-15.30 Lunch



Afternoon Programme

Parallel Sessions

Volatility and Stability in Financial Markets

- 16.00-17.00 **A Theory of Growth and Volatility at the Aggregate and Firm Level**
*Diego Comin (New York University)
Sunil Mulani (Analysis Group)
- 17.00-18.00 **Technological Diversification**
*Miklos Koren (Federal Reserve Bank of New York)
Silvana Tenreyro (London School of Economics and CEPR)
- 18.00-18.30 Coffee Break
- 18.30-19.30 **Macroeconomic Effects of Size-Dependent Policies**
*Nezih Guner (Pennsylvania State University and Universidad Carlos III de Madrid)
Gustavo Ventura (Pennsylvania State University)
Xu Yi (Pennsylvania State University)
- 19.30-20.30 **The Valuation Channel of External Adjustment**
Fabio Ghironi (Boston College)
Jaewoo Lee (International Monetary Fund)
*Alessandro Rebucci (International Monetary Fund)

Hours and Unemployment

- 16.00-17.00 **The Cyclical Behavior of Unemployment and Vacancies Revisited**
Magnus Hagedorn (University of Frankfurt)
*Iouri Manovskii (University of Pennsylvania)
- 17.00-18.00 **The Effects of Labor Market Conditions on Working Time: A Look at the US-EU Experience**
Claudio Michelacci (Centre for Monetary and Financial Studies, CEMFI and CEPR)
*Josep Pijoan-Mas (Centre for Monetary and Financial Studies, CEMFI and CEPR)
- 18.00-18.30 Coffee Break
- 18.30-19.30 **Unemployment Fluctuations with Staggered Nash Wage Bargaining**
Antonella Trigari (IGIER, Università Bocconi)
- 19.30-20.30 **Trends in Hours and Economic Growth**
Rachel Ngai (London School of Economics and CEPR)



Thursday, 25 May

Morning Programme

Plenary Session: Labour Market and Business Cycles

- 09.00-10.00 **Labor Market Matching, Labor Market Participation and Aggregate Business Cycles: Theory and Structural Evidence for the US**
Morten Ravn (European University Institute, London Business School and CEPR)
- Discussant: Claudio Michelacci (Centre for Monetary and Financial Studies, CEMFI and CEPR)
- 10.00-11.00 **Occupational Mobility and Wage Inequality**
*Gueorgui Kambourov (University of Toronto and Arizona State University)
Iouri Manovskii (University of Pennsylvania)
- Discussant: Angel Gavilan (Banco de España)
- 11.00-11.30 Coffee Break
- 11.30-12.30 **Culture: An Empirical Investigation of Beliefs, Work, and Fertility**
*Raquel Fernández (New York University, NBER and CEPR)
Alessandra Fogli (New York University and CEPR)
- Discussant: Nicola Gennaioli (IIES, Stockholm University)
- 12.30-13.30 **Labor Market Effects of Technology Shocks**
Fabio Canova (IGIER, Università Bocconi and CEPR)
Claudio Michelacci (Centre for Monetary and Financial Studies, CEMFI and CEPR)
*David Lopez-Salido (Banco de España and CEPR)
- Discussant: Jesús Fernandez-Villaverde (University of Pennsylvania and CEPR)
- 13.30-14.30 Lunch

Afternoon Programme

Session 1: Volatility and Stability in Financial Markets

- 17.00-18.00 **Liquidity Runs with Endogenous Information Acquisition**
Sanne Zwart (European University Institute)
- 18.00-19.00 **Stock Market Volatility and Learning**
*Klaus Adam (European Central Bank, University of Frankfurt and CEPR)
Albert Marcet (IAE Barcelona, CREI, Universitat Pompeu Fabra and CEPR)
Juan Pablo Nicolini (Istituto Torcuato di Tella)
- 19.00-19.30 Coffee Break
- 19.30-20.30 **Country Portfolios in Open Economy Macroeconomic Models**
Michael B. Devereux (University of British Columbia and CEPR)
*Alan Sutherland (University of St Andrews and CEPR)



Session 2: Financial Development, Human Capital and Inequality

- 17.00-18.00 **Financial Development and Efficient Capital Reallocation**
Antonio Ciccone (Universitat Pompeu Fabra and CEPR)
*Elias Papaioannou (European Central Bank)
- 18.00-19.00 **The Role of Debt and Equity Financing Over the Business Cycle**
Francisco Covas (University of California, San Diego)
*Wouter Den Haan (London Business School and CEPR)
- 19.00-19.30 Coffee Break
- 19.30-20.30 **Equities and Inequality**
Alessandra Bonfiglioli (CREI and Universitat Pompeu Fabra)

Friday 26th May

Morning Programme

Plenary Sessions: Globalization and its Effects

- 09.00-10.00 **Globalization and Risk Sharing**
*Fernando A. Broner (CREI, Universitat Pompeu Fabra and CEPR)
Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)
- Discussant: Fabrizio Perri (NYU Stern, Federal Reserve Bank of Minneapolis, and CEPR)
- 10.00-11.00 **On Globalization and the Growth of Governments**
Paolo Epifani (Università Bocconi and Università degli Studi di Parma)
*Gino Gancia (CREI and Universitat Pompeu Fabra)
- Discussant: Philippe Martin (Université de Paris I and CEPR)
- 11.00-11.30 Coffee Break
- 11.30-12.30 **Global Portfolio Rebalancing Under the Microscope**
Helene Rey (Princeton University and CEPR)
- Discussant: Paolo Mauro (International Monetary Fund, IMF)
- 12.30-13.30 **An Equilibrium Model of “Global Imbalances” and Low Interest Rates**
Ricardo Caballero (Massachusetts Institute of Technology, MIT)
*Emmanuel Farhi (Massachusetts Institute of Technology, MIT)
Pierre-Olivier Gourinchas (University of California Berkeley and CEPR)
- Discussant: Philippe Bacchetta (Study Center Gerzensee, Université de Lausanne and CEPR)
- 13.30-14.30 Lunch
- Afternoon/Evening: Free**
- 21:00 Dinner (Venue TBC)



Saturday 27th May

Morning Programme

Plenary Session: Growth, Prices and Payments

09.30-10.30

A Theory of Growth and Cycles

*Michele Boldrin (University of Minnesota and CEPR)
Jesus Fernandez Villaverde (University of Pennsylvania)

Discussant:

Vincenzo Quadrini (University of Southern California Business School and CEPR)

10.30-11.30

Capital-Skill Complementarity and the Dynamics of Transitional Growth

Yongsung Chang (Seoul National University)
*Andreas Hornstein (Federal Reserve Bank of Richmond)

Discussant:

Francesco Caselli (London School of Economics, LSE and CEPR)

11.30-12.00

Coffee Break

12.00-13.00

Financial Innovation, Inflation and Welfare

Fernando Alvarez (University of Chicago)
*Francesco Lippi (Banca d'Italia and CEPR)

Discussant:

Dirk Niepelt (Study Center Gerzensee and IIES, Stockholm University)

13.00-14.00

A Cost-of-Living Dynamic Price Index, with an Application to Indexing Retirement Accounts

Ricardo Reis (Princeton University and CEPR)

Discussant:

Alberto Martin (CREI and Universitat Pompeu Fabra)

14.00-15.30

Lunch

Afternoon Programme

Session 1: International Financial Markets

17.00-18.00

Emerging Market Portfolios: The Role of Equities

Andre Faria (International Monetary Fund, IMF)
Philip Lane (IIS, Trinity College Dublin and CEPR)
*Paolo Mauro (International Monetary Fund, IMF)
Gian Maria Milesi-Ferretti (International Monetary Fund, IMF and CEPR)

18.00-19.00

Transparency in European Government Bond Markets

Peter Dunne (Queen's University of Belfast)
Michael Moore (Queen's University of Belfast)
*Richard Portes (London Business School and CEPR)

19.00-19.30

Coffee Break

19.30-20.30

International Portfolio Equilibrium and the Current Account

Robert Kollmann (University of Paris XII and CEPR)



Session 2: Unemployment Price Setting and Promises

- 17.00-18.00 **Fiscal Structure and Equilibrium Unemployment**
*Rafael Domenech (University of Valencia)
Ester Perez (Ministry of Economic Affairs and Finance, Spain)
- 18.00-19.00 **Price Setting in Forward Looking Customer Markets**
Emi Nakamura (Harvard University)
*Jon Steinsson (Harvard University)
- 19.00-19.30 Coffee Break
- 19.30-20.30 **"Read My Lips": The Commitment Value of Empty Promises Under Loss-Aversion**
John Hassler (Institute for International Economic Studies (IIES), Stockholm University and CEPR)

* denotes speaker

Organizers: Giancarlo Corsetti (European University Institute, University of Rome III and CEPR)
Juan Francisco Jimeno (Banco de España and CEPR)
Per Krusell (Princeton University, IIES and CEPR)
Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)