

European Summer Symposium in International Macroeconomics (ESSIM)

Hosted by the Central Bank of Cyprus

Limassol, 25 - 28 May 2005

Programme

Wednesday 25 May

- 09.15-09.30 Welcome Speech
Governor of the Central Bank of Cyprus
- 09.30-10.45 **Culture and Institutions: The Economic Development of the
Regions of Europe**
*Guido Tabellini (IGIER, Università Bocconi and CEPR)
- Discussant: Antonio Ciccone (Universitat Pompeu Fabra and CEPR)
- 10.45-11.15 Coffee Break – Athenaeum Terrace
- 11.15-12.30 **Optimal Welfare-to-Work Programs**
Nicola Pavoni (University College London)
*Gianluca Violante (New York University and CEPR)
- Discussant: Christopher Pissarides (London School of Economics and CEPR)
- 13.00 Lunch - Athenaeum Terrace

Parallel Sessions

Estimation of DSGE Models

- 16.30-17.15 **DSGE Models in a Data-Rich Environment**
Jean Boivin (Columbia University)
*Marc Giannoni (Columbia University and CEPR)
- 17.15-18.00 **On the Fit and Forecasting Performance of New-Keynesian Models**
*Marco del Negro (Federal Reserve Bank of Atlanta)
Frank Schorfheide (University of Pennsylvania)
Frank Smets (European Central Bank and CEPR)
Raf Wouters (National Bank of Belgium)

- 18.00-18.30 Coffee Break - Athenaeum Terrace
- 18.30-19.15 **Bayesian Estimation of an Open Economy DSGE Model with Incomplete Pass-Through**
Malin Adolfson (Sveriges Riksbank)
Stefan Laséen (Sveriges Riksbank)
*Jesper Lindé (Sveriges Riksbank and CEPR)
Mattias Villani (Sveriges Riksbank)
- 19.15-20.00 **Learning about the Parameters and the Dynamics of DSGE Models: Identification and Estimation**
*Fabio Canova (IGIER, Università Bocconi and CEPR)
Luca Sala (IGIER, Università Bocconi)
- Asset Prices, Exchange Rates and Wealth Dynamics**
- 16.30-17.15 **Asset Pricing with Limited Risk Sharing and Heterogeneous Agents**
Francisco Gomes (London Business School and CEPR)
*Alexander Michaelides (FMG, London School of Economics and CEPR)
- 17.15-18.00 **Fiscal Policy and the Term Structure of Interest Rates**
Qiang Dai (University of North Carolina)
*Thomas Philippon (Stern Business School, NYU and CEPR)
- 18.00-18.30 Coffee Break - Athenaeum Terrace
- 18.30-19.15 **A Global Perspective on External Positions**
Philip R. Lane (Trinity College Dublin and CEPR)
*Gian Maria Milesi-Ferretti (International Monetary Fund and CEPR)
- 20.30 Dinner – Amathus Hotel

Thursday 26 May

- 09.00-10.15 **Large Devaluations and the RER**
 Ariel Burstein (UCLA)
 Martin Eichenbaum (Northwestern University, NBER and Federal Reserve of Chicago)
 *Sérgio Rebelo (Northwestern University, NBER and CEPR)
- Discussant: Hélène Rey (Princeton University and CEPR)
- 10.15-10.45 Coffee Break - Athenaeum Terrace
- 10.45-12.00 **Investment in Patience and the Decline of the Aristocracy**
 Matthias Doepke (UCLA and CEPR)
 *Fabrizio Zilibotti (IIES Stockholm University and CEPR)
- Discussant: Francesco Caselli (London School of Economics and CEPR)
- 13.00 Lunch - Athenaeum Terrace

Parallel Sessions

Monetary and Fiscal Policy

- 16.30-17.15 **The New Keynesian Model with Imperfect Information and Learning**
 Fabrice Collard (CNRS-GREMAQ)
 *Harris Dellas (Universität Bern and CEPR)
- 17.15-18.00 **Uncertainty about Nominal Anchor by Private Agents and Stabilization Policy**
 *Kosuke Aoki (London School of Economics and CEPR)
 Takeshi Kimura (Bank of Japan)
- 18.00-18.30 Coffee Break - Athenaeum Terrace
- 18.30-19.15 **Optimal Monetary And Fiscal Policy for a Small Open Economy**
 *Gianluca Benigno (London School of Economics and CEPR)
 Bianca De Paoli (CEP, London School of Economics)

19.15-20.00 **The Magnitude and Cyclical Behavior of Financial Market Frictions**
 *Andrew Levin (Federal Reserve Board and CEPR)
 Fabio Natalucci (Federal Reserve Board)
 Egon Zakrajsek (Federal Reserve Board)

Growth and Inequality

16.30-17.15 **Human Capital and the Structure of Production**
 *Antonio Ciccone (Universitat Pompeu Fabra and CEPR)
 Elias Papaioannou (London Business School)

17.15-18.00 **Home Production, Market Production and the Gender Wage Gap:
Incentives and Expectations**
 *Stefania Albanesi (Duke University and CEPR)
 Claudia Olivetti (Boston University)

18.00-18.30 Coffee Break - Athenaeum Terrace

18.30-19.15 **Deregulation, Legal Reform, and Meritocracy**
 *Francesco Caselli (London School of Economics and CEPR)
 Nicola Gennaioli (IIES-Stockholm University)

20.30 Dinner – Local Tavern

Friday 27 May

09.00-10.15 **Business Cycles and Firm Dynamics**
 Florin Bilbiie (Nuffield College, Oxford)
 Fabio Ghironi (Boston College)
 *Marc Melitz (Harvard University and CEPR)

Discussant: Diego Comin (New York University)

10.15-10.45 Coffee Break - Athenaeum Terrace

10.45-12.00 **A Frictional Inequality Puzzle**
 Andreas Hornstein
 *Per Krusell (Princeton University and CEPR)
 Gianluca Violante (New York University and CEPR)

Discussant: Philippe Weil (ECARES and CEPR)

- 12.15-13.30 **Productivity Growth and the Exchange Rate Regime: The Role of Financial Development**
 Philippe Aghion (Harvard University, University College London and CEPR)
 *Philippe Bacchetta (Studienzentrum Gerzensee, Université de Lausanne and CEPR)
 Romain Rancière (CREI, Universitat Pompeu Fabra)
 Kenneth Rogoff (Harvard University and International Monetary Fund)
- Discussant: Jaume Ventura (CREI - Universitat Pompeu Fabra and CEPR)
- 13.30 Lunch - Athenaeum Terrace
- 18.00 Afternoon Journey to a Mountain Village with Dinner

Saturday 28 May

- 09.00-10.15 **A,B,C's (and D's) for Understanding VARs**
 *Jesús Fernandez Villaverde (University of Pennsylvania)
 Juan Rubio-Ramirez (Federal Reserve Bank of Atlanta)
 Thomas J. Sargent (New York University)
- Discussant: Athanasios Orphanides (Board of Governors of the Federal Reserve and CEPR)
- 10.15-10.45 Coffee Break - Athenaeum Terrace
- 10.45-12.00 **Credit Rationing and Crowding Out during the Industrial Revolution: Evidence from Hoare's Bank, 1702-1862**
 Peter Temin (Massachusetts Institute of Technology)
 *Hans-Joachim Voth (Universitat Pompeu Fabra and CEPR)
- Discussant: Richard Portes (London Business School and CEPR)
- 13.00 Lunch - Athenaeum Terrace

Parallel Sessions

Innovation and International Prices

- 16.30-17.15 **Limited Enforcement, Innovation and Growth**
Ramon Marimon (Universitat Pompeu Fabra and CEPR)
*Vincenzo Quadrini (University of Southern California and CEPR)
- 17.15-18.00 **Productivity Spillovers, Terms of Trade and the Home Market Effect**
Giancarlo Corsetti (European University Institute, University of Rome III
and CEPR)
*Philippe Martin (University of Paris - I Pantheon Sorbonne, CERAS and
CEPR)
Paolo Pesenti (Federal Reserve Bank of New York, NBER and CEPR)
- 18.00-18.30 Coffee Break - Athenaeum Terrace
- 18.30-19.15 **The Balassa--Samuelson Hypothesis Forty Years Later**
Berthold Herrendorf (Arizona State University)
*Akos Valentinyi (University of Southampton and CEPR)
- 19.15-20.00 **Productivity, Tradability and the Long-Run Price Puzzle**
*Paul R Bergin (University of California, Davis)
Reuven Glick (Federal Reserve Bank of San Francisco)
Alan M Taylor (University of California, Davis and CEPR)

Monetary Policy, Integration and Crises

- 16.30-17.15 **Inflation Differentials in a Currency Area: Facts, Explanations and
Policy**
*Filippo Altissimo (European Central Bank and CEPR)
Pierpaolo Benigno (New York University and CEPR)
Diego Rodriguez Palanzuela (European Central Bank)
- 17.15-18.00 **Excess Demand for Foreign Currency During Speculative Attacks**
*Ivan Pastine (University College, Dublin and CEPR)
- 18.00-18.30 Coffee Break - Athenaeum Terrace

- 18.30-19.15 **Strong Contagion with Weak Spillovers**
*Martin Ellison (University of Warwick and CEPR)
Liam Graham (University of Warwick)
Jouko Vilmunen (Bank of Finland)
- 19.15-20.00 **Dynamic Pricing, Imperfect Common Knowledge and Inflation
Intertia**
Kristoffer P. Nimark (European University Institute)
- 21.15 Dinner – Restaurant in Limassol.

* denotes speaker

For the plenary sessions, each presentation should last 45 minutes, to be followed 15 minutes for the discussant and 15 minutes of general discussion.

For the parallel sessions, each presentation should last 30 minutes to be followed by 15 minutes of general discussion.

Organizers: Giancarlo Corsetti (European University Institute, University of Rome III and
CEPR)
Jordi Galí (CREI and CEPR)
Jaume Ventura (CREI - Universitat Pompeu Fabra and CEPR)