



European Summer Symposium in International Macroeconomics (ESSIM)

Hosted by Banco de España

Tarragona, Spain, 22/26 May 2002

Final Programme

Tuesday 21 May

21.00 Dinner

Wednesday 22 May

09.00 – 09.30 Opening Remarks
José Luis Malo de Molina (Banco de España)

Frictions and Fluctuations

09.30 – 10.30 **Markups, Gaps, and the Welfare Costs of Business
Fluctuations**

Jordi Galí (CREI, Universitat Pompeu Fabra and
CEPR)

*Mark Gertler (New York University)

David López-Salido (Banco de España and CEPR)

Discussant: Francesco Giavazzi (IGIER, Università Bocconi, Milan
and CEPR)

10.30 – 11.30 **An Optimizing Model of US Wage and Price
Dynamics**

Argia M Sbordone (Rutgers University)

Discussant: Volker Wieland (Johann Wolfgang Goethe-Universität
Frankfurt)

11.30 – 12.00 Coffee



Shocks and Policy

12.00 – 13.00

Tracking Greenspan: Systematic and Unsystematic Monetary Policy Revisited

Domenico Giannone (ECARES, Université Libre de Bruxelles)

*Lucrezia Reichlin (ECARES, Université Libre de Bruxelles and CEPR)

Luca Sala (ECARES, Université Libre de Bruxelles)

Discussant:

Ilian Mihov (INSEAD, Fontainebleau and CEPR)

13.00 – 14.00

What Moves Real GNP?

Harald Uhlig (Humboldt Universität and CEPR)

Discussant:

Carlo A Favero (IGIER, Università Bocconi and CEPR)

14.00 – 15.30

Lunch

Economic Fluctuations

15.30 – 16:30

News, Stock Prices and Economic Fluctuations

Paul Beaudry (University of British Columbia)

*Franck Portier (Université de Sciences Sociales de Toulouse, GREMAQ and CEPR)

Discussant:

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

16.30 – 17.30

The Changing Response of US Industry to Monetary Policy

*Martin Ellison (University of Warwick and CEPR)

Michael Ehrmann (European Central Bank)

Discussant:

Gabriel Perez-Quirós (Banco de España)

17.30 – 18.00

Coffee

Macroeconomic Policy and Redistribution

18.00 – 19.00

The Time Consistency of Optimal Monetary Policy with Heterogeneous Agents

Stefania Albanesi (IGIER, Università Bocconi)

Discussant:

Stephanie Schmitt-Grohé (Rutgers University and CEPR)



19.00 – 20.00

The Dynamics of Government

John Hassler (Institute for International Economic Studies, Stockholm Universitet and CEPR)

*Per Krusell (Stockholm University, University of Rochester and CEPR)

Kjetil Storesletten (Institute for International Economic Studies, Stockholm Universitet and CEPR)

Fabrizio Zilibotti (Institute for International Economic Studies, Stockholm Universitet and CEPR)

Discussant:

Joseph Zeira (Kennedy School of Government, Harvard University and CEPR)

21.00

Dinner

Thursday 23 May

Bubbles

09.00 – 10.00

Speculative Growth

*Mohamad L Hammour (Delta, Paris and CEPR)

Ricardo Caballero (Massachusetts Institute of Technology)

Discussant:

Pietro Reichlin (Università di Roma La Sapienza and CEPR)

10.00 – 11.00

Bubbles and Capital Flows

Jaume Ventura (Massachusetts Institute of Technology and CEPR)

Discussant:

Roel Beetsma (Universiteit van Amsterdam and CEPR)

11.00 – 11.30

Coffee

Globalization

11.30 – 12.30

Political Economics of Capital Income Taxation with Aging Population

*Assaf Razin (Cornell University, Tel Aviv University and CEPR)

Efraim Sadka (Tel Aviv University)

Philip Swagel (Northwestern University)

Discussant:

Eric van Wincoop (University of Virginia)



12.30 – 13.30

**Financial Globalization and Emerging Markets:
With or Without Crash?**

*Philippe Martin (Federal Reserve Bank of New York
and CEPR)

*Hélène Rey (Princeton University and CEPR)

Discussant:

Nouriel Roubini (New York University and CEPR)

13.30 – 14.30

Lunch

Macroeconomic Policy in the Euro Area

14.30 – 15.30

**Money in an Estimated Business Cycle Model of
the Euro Area**

Javier Andrés (Universidad de Valencia, Banco de
España)

Jose David López-Salido, (Banco de España and
CEPR)

*Javier Vallés (Banco de España)

Discussant:

Frank Smets (European Central Bank and CEPR)

15.30 – 16.30

**Fiscal Stabilization Policy in a Monetary Union with
Inflation Targeting**

Torben M Andersen (University of Aarhus and CEPR)

Discussant:

Martin Uribe (University of Pennsylvania)

17.00 – 20.30

Tour of Tarragona

21.00

Dinner

Friday 24 May

Prices Setting in Open Economies

09.00 – 10.00

**A Theory of the Currency Denomination of
International Trade**

*Philippe Bacchetta (Studienzentrum Gerzensee,
Université de Lausanne and CEPR)

*Eric van Wincoop (University of Virginia)

Discussant:

Michael Devereux (University of British Columbia and
CEPR)



10.00 – 11.00

Price Rigidity and the Selection of the Exchange Rate Regime

Fabrice Collard (CEPREMAP, Paris)

*Harris Dellas (Universität Bern and CEPR)

Discussant:

Giancarlo Corsetti (Università di Roma III, Yale University and CEPR)

11.00 – 11.30

Coffee

Families

11.30 – 12.30

The Law of Primogeniture and the Transition from Landed Aristocracy to Industry Democracy

Graziella Bertocchi (Università di Modena and CEPR)

Discussant:

Fabrizio Zilibotti (Institute for International Economic Studies, Stockholm Universitet and CEPR)

12.30 – 13.30

Marrying your Mom: Preference Transmission and Women's Labor and Education Choices

*Raquel Fernández (New York University and CEPR)

Alessandra Fogli (Stern, New York University)

Claudia Olivetti (Boston University)

Discussant:

Kjetil Storesletten (Institute for International Economic Studies, Stockholm Universitet and CEPR)

13.30 – 14.30

Lunch

Financial Frictions

16.00 – 17.00

House Prices, Consumption and Monetary Policy: A Financial Accelerator Approach

*Kosuke Aoki (Bank of England)

James Proudman (Bank of England)

Gertjan Vlieghe (Bank of England)

Discussant:

David Begg (Birbeck College, London and CEPR)

17.00 – 18.00

Liquidity, Business Cycles and Monetary Policy

*Nobuhiro Kiyotaki (London School of Economics and CEPR)

John Moore (London School of Economics)

Discussant:

Fernando Restoy (Banco de España and CEPR)



18.00 – 18.30

Coffee

Economic Integration and Deviations from PPP

18.30 – 19.30

Economic Integration and the Exchange Rate Regime: How Damaging are Currency Crises

Gunter Beck (University of Frankfurt)

*Axel A Weber (Institute for Financial Studies, Frankfurt and CEPR)

Discussant:

Richard Portes (London Business School and CEPR)

19.30 – 20.30

Aggregation and the Real Exchange Rate

Jean Imbs (London Business School and CEPR)

Haroon Mumtaz (London Business School)

*Morten Ravn (London Business School and CEPR)

Hélène Rey (Princeton University and CEPR)

Discussant:

Charles Wyplosz (Graduate Institute of International Studies, Geneva, SITE, Stockholm School of Economics and CEPR)

21.00

Dinner

Saturday 25 May

Exchange Rates: Theory and Evidence

09.30 – 10.30

Why is it so Difficult to Beat the Random Walk Forecast of Exchange Rates?

*Lutz Kilian (European Central Bank, University of Michigan and CEPR)

Mark P Taylor (Warwick University and CEPR)

Discussant:

Domenico Giannone (ECARES, Université Libre de Bruxelles)

10.30 – 11.30

Foreign Exchange Intervention: How to Signal Policy Objectives and Stabilise the Economy

Paolo Vitale (London School of Economics and CEPR)

Discussant:

Pierre-Olivier Gourinchas (Princeton University and CEPR)

11.30 – 12.00

Coffee



Monetary Policy in the Open Economy

12.00 – 13.00 **Monetary Policy Rules in the Open Economy: Effects on Welfare and Business Cycles**
Robert Kollmann (University of Bonn)

Discussant: Gianluca Benigno (Bank of England)

13.00 – 14.00 **Monetary Policy in a Low Pass Through Environment**
Tommaso Monacelli (Boston College and IGIER, Università Bocconi)

Discussant: Pierpaolo Benigno (New York University and CEPR)

14.00 – 15.00 Lunch

Growth Empirics

17.30 – 18.00 Coffee

18.00 – 19.00 **Trade and Productivity**
Francisco Alcalá (Universidad de Murcia)
*Antonio Ciccone (Universitat Pompeu Fabra, Barcelona and CEPR)

Discussant: Ivan Pastine (University of British Columbia, Bilkent University and CEPR)

19.00 – 20.00 **Why is the Link Between Growth and Volatility Both Negative and Positive**
Jean Imbs (London Business School and CEPR)

Discussant: Laura Bottazzi (IGIER, Università Bocconi, Milano and CEPR)

21.00 Dinner

* Denotes presenter

Organizers: Jordí Galí (CREI, Universitat Pompeu Fabra and CEPR)
Lucrezia Reichlin (ECARES, Université Libre de Bruxelles and CEPR)
Charles Wyplosz (Graduate Institute of International Studies, Geneva, SITE, Stockholm School of Economics and CEPR)