



European Summer Symposium in International Macroeconomics (ESSIM)

Hosted by the Bank of Greece

Athens, 28/31 May 2003

Final Programme

Tuesday 27 May

21.00 Dinner – ANEMOS Restaurant at the Divani Apollon Palace

Wednesday 28 May

09.00 – 09.30 **Welcome and Opening Remarks**
Nicholas Garganas (Bank of Greece)

Morning Session I – Room: Aphrodite C

Policy and Uncertainty

09.30 – 10.45 **Coordination and Policy Traps**
*George-Marios Angeletos (Massachusetts Institute of Technology and NBER)
Christian Hellwig (University of California, Los Angeles)
Alessandro Pavan (Northwestern University)

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

10.45 – 11.15 Coffee

11.15 – 12.30 **Parameter Uncertainty and the Central Bank's Objective Function**
*Andrew Levin (Federal Reserve Board)
John Williams (Federal Reserve Board)

Discussant: Kosuke Aoki (CREI, Universitat Pompeu Fabra and CEPR)

13.00 – 14.30 Lunch - ANEMOS Restaurant at the Divani Apollon Palace



Afternoon Parallel Session Ia - Room: Aphrodite C

International Policy Coordination

- 17.15 – 18.30 **The Unbearable Tightness of Being in the EMU**
Evi Pappa (London School of Economics)
- 18.30 – 18.45 Break
- 18.45 – 20.00 **International Monetary Policy Coordination and
Financial Market Integration**
Alan Sutherland (University of St Andrews and CEPR)

Afternoon Parallel Session Ib - Room: Aphrodite B

Frictions and Macroeconomic Performance

- 17.15 – 18.30 **Product Market Deregulation and Labour Market
Outcomes**
*Monique Ebell (Humboldt Universität zu Berlin and
Studienzentrum Gerzensee)
Christian Haefke (Universitat Pompeu Fabra,
Barcelona)
- 18.30 – 18.45 Break
- 18.45 – 20.00 **Fair Wages in a New Keynesian Model of the
Business Cycle**
Jean-Pierre Danthine (Université de Lausanne, FAME
and CEPR)
*Andre Kurmann (University of Quebec at Montreal)
- 21.00 Dinner - 'Mythos tis Thalassas' Restaurant, opposite
the Divani Apollon Palace

Thursday 29 May

Morning Session II - Room: Aphrodite C

Capital Flows

- 09.30 – 10.45 **Current Account Deficits in the Euro Area. The End
of the Feldstein-Horioka Puzzle?**
Olivier Blanchard (Massachusetts Institute of
Technology)
*Francesco Giavazzi (Bank of England, IGIER,
Università Bocconi and CEPR)
- Discussant: Philippe Weil (ECARES, Université Libre de Bruxelles
and CEPR)
- 10.45 – 11.15 Coffee



11.15 – 12.30

The Elusive Gains from International Financial Integration

*Olivier Jeanne (International Monetary Fund and CEPR)

Pierre-Olivier Gourinchas (Princeton University and CEPR)

Discussant:

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

13.00 – 14.30

Lunch - ANEMOS Restaurant at the Divani Apollon Palace

Afternoon Parallel Session IIa - Room: Aphrodite C

International Lending and Default

17.15 – 18.30

A Model of Strategic Default with Competing Lenders

Pietro Reichlin (Universita' di Roma La Sapienza and CEPR)

18.30 – 18.45

Break

18.45 – 20.00

The Tradeoff Between an International Lender of Last Resort to Deal with Liquidity Crisis and Moral Hazard Distortions. A Model of the IMF's Catalytic Finance Approach

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

Bernardo Guimares (Yale University)

*Nouriel Roubini (Stern Business School, University of New York and CEPR)

Afternoon Parallel Session IIb - Room: Aphrodite B

Central Banking

17.15 – 18.30

The Zero-Interest-Rate Bound and the Role of the Exchange Rate for Monetary Policy in Japan

Guenter Coenen (European Central Bank)

*Volker Wieland (Goethe University Frankfurt am Main and CEPR)

18.30 – 18.45

Break

18.45 – 20.00

The Central Banker as a Risk Manager: Quantifying and Forecasting Inflation Risks

Lutz Kilian (European Central Bank and CEPR)

*Simone Manganelli (European Central Bank)

21.00

Dinner and Roundtable – POSEIDON C Restaurant at the Divani Apollon Palace



21.00 – 22.30



Policy Roundtable (to take place over dinner)

Francesco Giavazzi (Bank of England, IGIER, Università Bocconi and CEPR)

Marcus Miller (University of Warwick and CEPR)

Nouriel Roubini (Stern Business School, University of New York and CEPR)

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

Friday 30 May

Morning Session III - Room: Aphrodite C

Monetary Unions

09.30 – 10.45

Price Dispersion in Monetary Unions: The Role of Fiscal Shocks

*Fabio Canova (Universitat Pompeu Fabra, Barcelona and CEPR)

Evi Pappa (London School of Economics)

Discussant:

Filippo Altissimo (European Central Bank and CEPR)

10.45 – 11.15

Coffee

11.15 – 12.30

The ECB's Two Pillars

Stefan Gerlach (Hong Kong Institute of Monetary Research and CEPR)

Discussant:

Alex Cukierman (Tel-Aviv University, CentER, Tilburg University and CEPR)

13.00 – 14.30

Lunch - ANEMOS Restaurant at the Divani Apollon Palace

Afternoon Parallel Session IIIa - Room: Aphrodite C

Macroeconometrics

17.15 – 18.30

The Labor Supply Elasticity and Borrowing Constraints: Why Estimates are Biased

David Domeij (Stockholm School of Economics)

*Martin Flodén (Stockholm School of Economics and CEPR)

18.30 – 18.45

Break

18.45 – 20.00

Priors from General Equilibrium Models for VARs

*Marco Del Negro (Federal Reserve Bank of Atlanta)

Frank Schorheide (University of Pennsylvania)



Afternoon Parallel Session IIIb - Room: Aphrodite B

Fiscal Policy

- 17.15 – 18.30 **Optimal Fiscal and Monetary Policy: Equivalence Results**
*Isabel Horta Correia (Banco de Portugal, Universidade Catolica Portuguesa and CEPR)
Juan Pablo Nicolini (Universitat di Tela)
Pedro Teles (Federal Reserve Bank of Chicago and CEPR)
- 18.30 – 18.45 Break
- 18.45 – 20.00 **Anticipated Ramsey Reforms and the Uniform Taxation Principle: the Role of International Financial Markets**
*Stephanie Schmitt-Grohé (Rutgers University and CEPR)
Martin Uribe (University of Pennsylvania)
- 20.45 Dinner – ‘Labros’ Restaurant at Vouliagmenis Lake. Please meet in the hotel lobby at 20.45 for the coach transfer to the restaurant.

Saturday 31 May

Morning Session IV - Room: Aphrodite C

People, Institutions and Growth

- 09.30 – 10.45 **Dynastic Management**
*Francesco Caselli (Harvard University and CEPR)
Nicola Gennaioli (Harvard University)
- Discussant: Berthold Herrendorf (Universidad Carlos III de Madrid and CEPR)
- 10.45 – 11.15 Coffee
- 13.00 – 14.30 Lunch – ANEMOS Restaurant at the Divani Apollon Palace

Afternoon Parallel Session IVa - Room: Aphrodite C

International

- 17.15 – 18.30 **Interdependence Between the Euro Area and the US: What role for EMU?**
*Michael Ehrmann (European Central Bank)
Marcel Fratzscher (European Central Bank)
- 18.30 – 18.45 Break



18.45 – 20.00

The Geography of International Portfolios

Philip Lane (Trinity College Dublin and CEPR)

*Gian Maria Milesi-Ferretti (International Monetary Fund and CEPR)

Afternoon Parallel Session IVb - Room: Aphrodite B

Labour and Goods Market Interactions

17.15 – 18.30

Dynamic Effects of Labour Market Institutions and Shocks on Economic Performance

Gernot Doppelhofer (University of Cambridge)

18.30 – 18.45

Break

21.00

Dinner – ANEMOS Restaurant at the Divani Apollon Palace

* 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)

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