

**European Summer Symposium in Macroeconomics
Sintra, 26/30 May 1999
Hosted by Banco de Portugal**

Final Programme

Tuesday 25 May

20.30 **Welcoming Dinner**
Hotel Tivoli

Wednesday 26 May

1. Morning Session I

09.15 - 09.30 Opening Remarks by Luis Campos e Cunha (Banco de Portugal)

Crises

09.30 - 10.45 **Prospective Deficits and the Asian Currency Crisis**
Craig Burnside (World Bank)
Martin Eichenbaum (Northwestern University)
Sergio Rebelo (Northwestern University and CEPR)*

Discussant: Pedro Teles (Banco de Portugal)

10.45 - 11.15 Coffee Break

11.15 - 12.30 **Sovereign Debt Crises and the Global Financial Architecture**
Olivier Jeanne (International Monetary Fund and CEPR)*

Discussant: Charles R Bean (London School of Economics and CEPR)

12.45 - 14.15 Lunch

2. Parallel Session I

A. Technology

17.30 - 18.45 **Coping with Technological Progress: The Role of Ability in
Making Inequality so Persistent**
Yona Rubinstien (University of Chicago)
Daniel Tsiddon (Tel Aviv University and CEPR)*

Discussant: Oded Galor (Brown University, Hebrew University of Jerusalem
and CEPR)

3. Parallel Session II

B. Monetary Policy Design

- 17.30 - 18.45 **The Perils of Taylor Rules**
Jess Benhabib (New York University)
Stephanie Schmitt-Grohé (Rutgers University and CEPR)*
Martín Uribe (Board of Governors of the Federal Reserve System)
- Discussant: Isabel Horta Correia (Banco de Portugal, Universidade Católica Portuguesa and CEPR)
- 18.45 - 20.00 **Should Monetary Policy be Adjusted Frequently?**
Harry Huizinga (Tilburg University and CEPR)
Sylvester Eijffinger (CentER, Tilburg University and CEPR)*
- Discussant: Henrik Jensen (University of Copenhagen and CEPR)
- 20.15 Dinner

Thursday 27 May

4. Morning Session II

Public Policy and Macroeconomics

- 09.30 - 10.45 **Political Economics and Public Finance**
Torsten Persson (IIES, Stockholm University and CEPR)*
Guido Tabellini (IGIER, Università Bocconi, Milano, and CEPR)*
- Discussant: Raquel Fernandez (New York University and CEPR)
- 10.45 - 11.15 Coffee Break
- 11.15 - 12.30 **The Macroeconomics of Labor and Credit Market Imperfections**
Etienne Wasmer (ECARE, Université Libre de Bruxelles and CEPR)*
Philippe Weil (ECARE, Université Libre de Bruxelles and CEPR)*
- Discussant: Gianluca Violante (University College London and CEPR)
- 12.45 - 14.15 Lunch

5. Parallel Session I

A. Fluctuations

15.30 - 16.45 **Precautionary Savings, Lifecycle and Macroeconomics**
Pierre-Olivier Gourinchas (Princeton University and CEPR)*

Discussant: Mario Forni (Università di Modena and CEPR)

16.45 - 18.00 **An Exploration into Pigou's Theory of Cycles**
Paul Beaudry (University of British Columbia)
Franck Portier (IDEI and GREMAQ, Université des Sciences
Sociales de Toulouse)*

Discussant: Teresa Lloyd-Braga (Universidade Católica Portuguesa)

6. Parallel Session II

B. Monetary Policy: Empirics I

15.30 - 16.45 **Endogenous Monetary Policy and the Liquidity Effect**
Javier Andrés (Universidad de Valencia)
J David López-Salido (Banco de España)*
Javier Vallés (Banco de España)

Discussant: Robert Kollmann (Université de Paris XII)

16.45 - 18.00 **Measuring Monetary Policy in Open Economies**
Fabio Bagliano (Università di Torino)
Carlo A Favero (IGIER, Università Bocconi, Milano, and CEPR)*
Francesco Franco (IGIER, Università Bocconi)

Discussant: Ilian Mihov (INSEAD, Fontainebleau, and CEPR)

18.30 Dinner

Friday 28 May

7. Morning Session III

European Monetary Integration

09.30 - 10.45 **Welfare Effects of the Euro in the World Economy**
Michael B Devereux (University of British Columbia and CEPR)*
Charles Engel (University of Washington)
Cedric Tille (Federal Reserve Bank of New York)

Discussant: Antonio Fatás (INSEAD, Fontainebleau, and CEPR)

10.45 - 11.15 Coffee Break

11.15 - 12.30 **The Logic of Compromise: An Austro-Hungarian Tale for EMU**
Marc Flandreau (CNRS and OCFE, Paris, and CEPR)*

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

12.45 - 14.15 Lunch

8. Parallel Session I

A. Growth and Fluctuations

17.30 - 18.45 **Risk Sharing and Industrial Specialization: Regional and International Evidence**

Sebnem Kalemli-Ozcan (Brown University)

Bent E Sørensen (Brown University and CEPR)*

Oved Yosha (Tel Aviv University)

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

18.45 - 20.00 **The Information Technology Revolution and the Stock Market: Preliminary Evidence from the CRSP Data**

Jeremy Greenwood (University of Rochester)

Boyan Jovanovic (New York University)*

Discussant: Joseph Zeira (Hebrew University of Jerusalem and CEPR)

9. Parallel Session II

B. Monetary Policy: Empirics II

17.30 - 18.45 **What was the Market's View of UK Monetary Policy? Estimating Inflation Risk and Expected Inflation with Indexed Bonds**

Eli Remolona (Federal Reserve Bank of New York)

Michael R Wickens (University of York and CEPR)*

Frank Gong (Bank of America)

Discussant: Andreas Fischer (Schweizerische National Bank and CEPR)

18.45 - 20.00 **Money Demand and Scale Economies: Evidence from a Panel of Firms**

Bernardino Adao (Banco de Portugal)*

José Mata (Banco de Portugal)

Discussant: Anne Mikkola (University of Helsinki and CEPR)

20.15 Dinner

Saturday 29 May

10. Morning Session IV

Cyclical Fluctuations

- 09.30 - 10.45 **Improper Churn: Social Costs and Macroeconomic Consequences**
Ricardo Caballero (Massachusetts Institute of Technology)
Mohamad Hammour (DELTA, Paris)*
- Discussant: tbc
- 10.45 - 11.15 Coffee Break
- 11.15 - 12.30 **How the Fed Should React: Monetary Policy in a Philips Curve World**
Thomas F Cooley (University of Rochester)
Vincenzo Quadrini (Duke University and CEPR)*
- Discussant: Jordi Galí (Universitat Pompeu Fabra, Barcelona, and CEPR)
- 12.45 - 14.15 Lunch

11. Parallel Session I

A. Fiscal Policy: Theory and Empirics

- 17.30 - 18.45 **Optimal Fiscal Policy With and Without Full Commitment Under a Balanced Budget Constraint**
Paul Klein (Stockholm University)
José-Víctor Ríos-Rull (University of Pennsylvania)*
- Discussant: Andrew Scott (London Business School and CEPR)
- 18.45 - 20.00 **An Empirical Characterization of the Dynamic Effects of Changes in Government Spending and Taxes on Output**
Olivier Blanchard (Massachusetts Institute of Technology)
Roberto Perotti (Columbia University and CEPR)*
- Discussant: Harald Uhlig (CentER, Tilburg University and CEPR)

12. Parallel Session II

B. Monetary Convergence

- 17.30 - 18.45 **The Aftermath of the 1992 ERM Breakup: Was There a Macroeconomic Free Lunch?**
Robert J Gordon (Northwestern University and CEPR)*
- Discussant: Charles Wyplosz (Graduate Institute of International Studies, Geneva, and CEPR)

18.45 - 20.00 **Moving the Escudo into the Euro**
Jorge Braga de Macedo (Universidade Nova de Lisboa and CEPR)*
Luís Catela Nunes (Universidade Nova de Lisboa)
Francisco Covas (Universidade Nova de Lisboa)

Discussant: tbc

20.15 Dinner

Sunday 30 May

13. Morning Session V

International Capital Mobility

09.00 - 10.15 **The Determinants of Cross-Border Equity Flows**
Richard Portes (London Business School and CEPR)*
Hélène Rey (London School of Economics and CEPR)*

Discussant: Philip Lane (Trinity College Dublin and CEPR)

Organizers: Jordi Galí (Universitat Pompeu Fabra, Barcelona, and CEPR)
Lucrezia Reichlin (ECARE, Université Libre de Bruxelles, and CEPR)
Charles Wyplosz (Graduate Institute of International Studies, Geneva, and
CEPR)

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