# European Summer Symposium in International Macroeconomics (ESSIM) 2011

**Hosted by**
Study Center Gerzensee

Gerzensee, Switzerland; 31 May – 3 June 2011

## Draft Programme

### Tuesday 31 May

<table>
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<th>Time</th>
<th>Event</th>
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<tr>
<td>08.15 - 08.45</td>
<td>Registration and Coffee</td>
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<tr>
<td>08.50-09.00</td>
<td>Welcome speech: Dirk Niepelt (Director, Study Center Gerzensee and CEPR)</td>
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**Plenary Session: Fiscal Policy**

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| 09.00 - 10.00 | Economic and Politico-Economic Equivalence of Fiscal Policies  
Martin Gonzalez-Eiras (Universidad de San Andres)  
*Dirk Niepelt (Study Center Gerzensee and CEPR) |

**Discussant:**

<table>
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| 10.00 - 11.00 | Confidence and the Transmission of Government Spending Shocks 
Rüdiger Bachmann (University of Michigan) |

**Discussant:** Carlo Favero (IGIER, Università Bocconi and CEPR)

11.00 - 11.30 Coffee Break

**Plenary Session: Female Empowerment/Intellectual Competition**

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<th>Time</th>
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| 11.30 - 12.30 | Does Female Empowerment Promote Economic Development?  
Matthias Doepke (Northwestern University and CEPR)  
*Michèle Tertilt (Stanford University and CEPR) |

**Discussant:** Alice Schoonbroodt (University of Southampton)

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| 12.30 - 13.30 | Intellectual influence and macroeconomic outcomes  
Gilles Saint-Paul (Toulouse School of Economics and CEPR) |

**Discussant:** Bernardo Guimarães (Fundacao Getulio Vargas and CEPR)

13.30 - 14.30 Lunch

**Parallel Session**

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<th>Time</th>
<th>Session</th>
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| 13.30 - 14.30 | Capital Flows I  
Money and Information |
**Leverage as Predictor of Real Activity Volatility**
*Robert Kollmann (ECARES and CEPR)
Stefan Zeugner (ECARES)

**Equilibrium selection in a fundamental model of money**
Luis Araujo (Michigan State University)
*Bernardo Guimarães (Fundacao Getulio Vargas and CEPR)

**The Demand for Liquid Assets, Corporate Saving, and Global Imbalances**
Philippe Bacchetta (Université de Lausanne and CEPR)
*Kenza Benhima (Université de Lausanne)

**Consumers’ Imperfect Information and Nominal Rigidities**
Jean-Paul L’Huillier (EIEF)

**International Capital Flows and Credit Market Imperfections: a Tale of Two Frictions**
Alberto Martin (London School of Economics and CEPR)
*Filippo Taddei (Collegio Carlo Alberto)

**How Do Global Firms Affect Productivity? Diversification or Returns**
Christian Fons-Rosen (Universitat Pompeu Fabra)
Sebnem Kalemli-Ozcan (University of Houston and CEPR)
Bent Sorensen (University of Houston and CEPR)
*Carolina Villegas-Sanchez (University of Houston)
Vadym Volosovych (Erasmus University)

**Slavery, Education, and Inequality**
Graziella Bertocchi (Università di Modena and CEPR)
Arcangelo Dimico (University of Nottingham)

**Bubbly Business Cycles: A Quantitative Exploration**
Vasco Carvalho (CREI and Universitat Pompeu Fabra)
*Alberto Martin (CREI, Universitat Pompeu Fabra and CEPR)
Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)

**Man-bites-dog driven business cycles**
Kristoffer Nimark (CREI, Universitat Pompeu Fabra and CEPR)

**Animal Spirits, Persistent Unemployment and the Belief Function**
Roger Farmer (University of California, Los Angeles and CEPR)

**Financial Business Cycle**
Matteo Iacoviello (Federal Reserve Board)

**Excursion to the Bernese Alps (Bus departs at 13.00)**
### THURSDAY 2 JUNE

#### Plenary Session: Monetary Policy

**09.00 - 10.00**  
**Optimal Target Criteria for Stabilization Policy**  
*Marc Giannoni (Columbia University)*  
Michael Woodford (Columbia University and CEPR)  

_Discussant:_  
Refet Gürkaynak (Bilkent University and CEPR)

**10.00 - 11.00**  
**Potential and Optimal Output**  
Alejandro Justiniano (Federal Reserve Bank of Chicago)  
*Giorgio Primiceri (Northwestern University and CEPR)*  
Andrea Tambalotti (Federal Reserve Bank of New York)

_Discussant:_  
Francesco Bianchi (Duke University)

**11.00 - 11.30**  
**Coffee Break**

#### Plenary Session: Energy and Climate

**11.30 - 12.30**  
**Energy-Saving Technical Change**  
John Hassler (IIES, Stockholm University and CEPR)

_Discussant:_  
Lutz Kilian (University of Michigan and CEPR)

**12.30 - 13.30**  
**The Long-Lived Effects of Historic Climate on the Wealth of Nations**  
John C. Bluedorn (IMF)  
*Akos Valentinyi (Cardiff Business School and CEPR)*  
Michael Vlassopoulos (University of Southampton)

_Discussant:_  
Giacomo Ponzetto (CREI and Universitat Pompeu Fabra)

**13.30 - 14.30**  
**Lunch**

#### Parallel Session: Trade, Productivity and Oil

**14.30 - 15.30**  
**The Evolution of Comparative Advantage: Measurement and Welfare Implications**  
*Andrei Levchenko (University of Michigan)*  
Jing Zhang (University of Michigan)

#### Capital Flows II

**Evidence for Dynamic Contracts in Sovereign Bank Lending**  
*Péter Benczúr (Magyar Nemzeti Bank)*  
Cosmin Ilut (Duke University)  
Martin Schneider (Stanford University and CEPR)

**15.30 - 16.30**  
**Low-Wage Import Competition, Inflationary Pressure, and Industry Dynamics in Europe**  
Raphael Auer (Swiss National Bank)  
Kathrin Degen (Université de Lausanne)  
*Andreas Fischer (Swiss National Bank and CEPR)*

**Country portfolios and the international dimension of monetary policy**  
*Luca Dedola (European Central Bank and CEPR)*  
Giovanni Lombardo (European Central Bank)

**16.30 - 17.00**  
**Coffee Break**

#### Parallel Session: Reforms, Finance, and Current Accounts

**17.00 - 18.00**  
**Financing Constraints, Export Decisions, and Aggregate Productivity**  
*Andrea Caggese (Universitat Pompeu Fabra)*  
Vicente Cuñat (London School of Economics)

**Reforms, Finance, and Current Accounts**  
Giuseppe Bertola (Università degli studi di Torino and CEPR)  
*Anna Lo Prete (Università degli studi di Torino)
The Role of Inventories and Speculative Trading in the Global Market for Crude Oil
*Lutz Kilian (University of Michigan)
Daniel Murphy

Ambiguous Business Cycles
Cosmin Ilut (Duke University)

FRIDAY 3 JUNE

Plenary Session | Prices and Investment
09.00 - 10.00 | Optimal Price Setting with Observation and Menu Costs
Fernando Alvarez (University of Chicago)
Francesco Lippi (Università di Sassari, EIEF and CEPR)
*Luigi Paciello (EIEF)

Discussant: Kevin Sheedy (London School of Economics and CEPR)

10.00 - 11.00 | The Social Cost of Near-Rational Investment
*Tarek Hassan (Booth School of Business, University of Chicago)
Thomas Mertens (NYU)

Discussant: Bartosz Adam Mackowiak (European Central Bank and CEPR)

11.00 - 11.30 | Coffee Break

Plenary Session | Unemployment
11.30 - 12.30 | Pegs and Pain
*Stephanie Schmitt-Grohé (Columbia University)
Martin Uribe (Columbia University)

Discussant: Robert Kollmann (ECARES and CEPR)

12.30 - 13.30 | Financial markets and unemployment
Tommaso Monacelli (IGIER, Università Bocconi and CEPR)
Vincenzo Quadrini (University of Southern California and CEPR)
*Antonella Trigari (IGIER, Università Bocconi)

Discussant: Alan Sutherland (University of St Andrews and CEPR)

13.30 - 14.30 | Lunch

Parallel Session | Political Economy and Development
Assaf Razin (Cornell University and CEPR)

Policy
*Carlo Favero (IGIER, Università Bocconi and CEPR)
Francesco Giavazzi (IGIER, Università Bocconi and CEPR)
Jacopo Perego (Università Bocconi)

How Useful are Estimated DSGE Model Forecasts for Central Bankers?
Rochelle Edge (Federal Reserve Board)
*Refet Gürkaynak (Bilkent University and CEPR)

15.30 - 16.30
Non-standard monetary policy measures and monetary developments
Domenico Giannone (ULB and CEPR)
*Michele Lenza (European Central Bank and CEPR)
Huw Pill (European Central Bank)
Lucrezia Reichlin (London Business School and CEPR)

16.30 - 17.00 Coffee and End of Conference

* Indicates the presenter

Organisers
Giancarlo Corsetti (Cambridge University and CEPR)
Per Krusell (Princeton University, IIES and CEPR)
Dirk Niepelt (Study Center Gerzensee and CEPR)
Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)