

**European Summer Symposium in Macroeconomics (ESSIM)
Tarragona, 31 May / 4 June 2000**

Programme

Tuesday 30 May

21.00 **Welcome Dinner**

Wednesday 31 May

09.15 – 09.30 **Opening Remarks**
José Luis Malo de Molina (Banco de España)

World Capital Markets

09.30 – 10.45 **The Transfer Problem Revisited: Net Foreign Assets and Real Exchange Rates**
*Philip Lane (Trinity College, Dublin, and CEPR)
Gian Maria Milesi-Ferretti (International Monetary Fund and CEPR)

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

10.45 – 11.15 Coffee

11.15 – 12.30 **Country Portfolios**
Aart Kraay (The World Bank)
Norman Loayza (Banco Central de Chile)
Luis Servén (The World Bank)
*Jaume Ventura (Massachusetts Institute of Technology, University of Chicago and CEPR)

Discussant: Giancarlo Corsetti (Yale University, Bologna University, and CEPR)

14.00 – 15.30 Lunch

Parallel Session I

Credit Markets

17.30 – 18.45 **Business Creation and the Stock Market**
*Claudio Michelacci (CEMFI, Madrid, and CEPR)
Javier Suárez (CEMFI, Madrid, and CEPR)

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

18.45 – 20.00 **Risk and Intermediation in a Dual Financial Market Model**
Gaetano Bloise (CORE)
*Pietro Reichlin (Università di Roma La Sapienza and CEPR)

Discussant: Per Krusell (University of Rochester and CEPR)

Parallel Session II

Exchange Rate Econometrics

- 17.30 – 18.45 **Quantifying the Half-Life of Deviations from PPP: The Role of Economic Priors**
*Lutz Kilian (University of Michigan and CEPR)
Tao Zha (Federal Reserve Bank of Atlanta)
- Discussant: Angel Estrada (Banco de España)
- 18.45 – 20.00 **Global Equilibrium Exchange Rates: Euro, Dollar, “Ins”, “Outs” and Other Major Currencies in a Panel Cointegration Framework**
*Enrique Alberola (Bank de España)
Susana G Cervero (Deutsche Bank)
H Lopez (World Bank)
Angel Ubide (International Monetary Fund)
- Discussant: Pierre-Olivier Gourinchas (Princeton University and CEPR)
- 21.00 Dinner

Thursday 1 June

Unemployment

- 09.30 – 10.45 **Competition and the Capital-Labor Conflict**
David Spector (Massachusetts Institute of Technology)
- Discussant: Etienne Wasmer (ECARES, Université Libre de Bruxelles, and CEPR)
- 10.45 – 11.15 Coffee
- 11.15 – 12.30 **Hiring and Firing Costs, Adverse Selection and the Persistence of Unemployment**
Adriana D Kugler, (Universitat Pompeu Fabra, Barcelona)
*Gilles Saint-Paul (Universitat Pompeu Fabra, Barcelona, and CEPR)
- Discussant: Michael C Burda (Humboldt Universität zu Berlin and CEPR)
- 14.00 – 15.30 Lunch

Parallel Session I

Macroeconomics of Exchange Rates

- 17.30 – 18.45 **Consumption Dynamics and Real Exchange Rates**
Morten O Ravn (London Business School, Universitat Pompeu Fabra, Barcelona, and CEPR)
- Discussant: David Begg (Birkbeck College, London, and CEPR)
- 18.45 – 20.00 **Consumption Dynamics and Real Exchange Rates**
Fabrice Collard (CNRS-CEPREMAP)
*Harris Dellas (Universität Bern and CEPR)
- Discussant: Michael Devereux (University of British Columbia and CEPR)

Parallel Session II

Fiscal Policy and Labour Markets

- 17.30 – 18.45 **Equilibrium Unemployment Insurance**
John Hassler (IIES, Stockholm University and CEPR)
José V Rodríguez Mora (Universitat Pompeu Fabra, Barcelona)
*Kjetil Storesletten (IIES, Stockholm University and CEPR)
Fabrizio Zilibotti (IIES, Stockholm University and CEPR)
- Discussant: Roberto Perotti (Colombia University and CEPR)
- 18.45 – 20.00 **Technology, Policy and the Inequality Unemployment Trade-Off**
Andreas Hornstein (Federal Reserve Bank of Richmond)
*Per Krusell (University of Rochester and CEPR)
*Gianluca Violante (University College London and CEPR)
- Discussant: Christopher Pissarides (London School of Economics and CEPR)
- 21.00 Dinner

Friday 2 June

Currency Crisis

- 09.30 – 10.45 **Liquidity and Contagion in Financial Markets**
David Backus (New York University)
- Discussant: Olivier Jeanne (International Monetary Fund and CEPR)
- 10.45 – 11.15 Coffee
- 11.15 – 12.30 **Currency Crises and Monetary Policy in an Economy with Credit Constraints**
Philippe Aghion (University College London, EBRD and CEPR)
*Philippe Bacchetta (Studienzentrum Gerzensee, Université de Lausanne, and CEPR)
Abhijit Banerjee (Massachusetts Institute of Technology)
- Discussant: Paolo Pesenti (Federal Reserve Bank of New York)
- 12.30 – 14.15 Lunch

Parallel Session I

Monetary and Fiscal Policy

- 14.30 – 15.45 **Fiscal Costs of Debt Limits**
*Albert Marcet (Universitat Pompeu, Barcelona, CREI, and CEPR)
*Andrew Scott (London Business School and CEPR)
- Discussant: José-Victor Rios-Rull (University of Pennsylvania and CEPR)

15.45 – 17.00 **The Monetary Transmission Mechanism: Is it Relevant for Policy?**
Bernardino Adao (Banco de Portugal)
*Isabel Horta Correia (Banco de Portugal, Universidade Católica Portuguesa, and CEPR)
*Pedro Teles (Banco de Portugal, Universidade Católica Portuguesa, and CEPR)

Discussant: Javier Valles (Banco de España)

Parallel Session II

Monetary Union

14.30 – 15.45 **Monetary Policy Committees: Individual and Collective Reputations**
Anne Sibert (Birkbeck College, London, and CEPR)

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

15.45 – 17.00 **Targeting Nominal Income Growth or Inflation?**
Henrik Jensen (Institute of Economics, University of Copenhagen, and CEPR)

Discussant: Francesco Lippi (Banca d'Italia and CEPR)

17.30 – 20.30 **Organized Visit to Tarragona**

21.00 Dinner

Saturday 3 June

Inequality and Growth

09.30 – 10.45 **Sorting and Long-Run Inequality**
*Raquel Fernández (New York University and CEPR)
Richard Rogerson (University of Pennsylvania)

Discussant: José V Rodríguez (Universitat Pompeu Fabra, Barcelona)

10.45 – 11.15 Coffee

11.15 – 12.30 **The World Technology Frontier**
*Francesco Caselli (University of Chicago, Harvard University, and CEPR)
John Coleman (Fuqua School of Business)

Discussant: Philippe Martin (CERAS, Paris, and CEPR)

14.00 – 15.30 Lunch

Parallel Session I

Forecasting Inflation

17.30 – 18.45 **Macroeconomic Forecasting in the Euro Area: Country Specific versus Area-Wide Information**

*Massimiliano Marcellino (IGIER, Università Bocconi, Milano)
Jim Stock (Harvard University)
Mark W Watson (Princeton University)

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

18.45 – 20.00 **A Multi Country Trend Indicator for Euro Area Average Inflation: Computation and Properties**

Elena Angelini (European Central Bank)
*Jérôme Henry (European Central Bank)
Ricardo Mestre Zamarreno (European Central Bank)

Discussant: Willem H Buiter (University of Cambridge and CEPR)

Parallel Session II

Credit Markets and Business Cycles

17.30 – 18.45 **Information Spillovers and Factor Adjustment**

*Luigi Guiso (Università di Sassari, Ente Einaudi and CEPR)
*Fabiano Schivardi (Banca d'Italia)

Discussant: Graziella Bertocchi (Università di Modena and CEPR)

18.45 – 20.00 **Gross Credit Flows**

Giovanni Dell'Arriccia (International Monetary Fund)
*Pietro Garibaldi (Università Commerciale Luigi Bocconi and CEPR)

Discussant: Hélène Rey (University of California, Berkeley, London School of Economics and CEPR)

21.00 Dinner

Scientific Committee: Jordi Galí (Universitat Pompeu Fabra, Barcelona, New York University and CEPR)
Lucrezia Reichlin (ECARES, Université Libre de Bruxelles, and CEPR)
Charles Wyplosz (Graduate Institute of International Studies, Geneva, and CEPR)

25 May 2000