

18TH CONFERENCE

**THEORIES AND METHODS
IN MACROECONOMICS**

HEC-DEEP, University of Lausanne, Switzerland

February 13-14, 2014

Thursday - February 13th, 2014

08:30-09:00 Registration (room 2144)

09:00-09:15 Welcome address (room 2144)

Kenza Benhima, Céline Poilly and Thepthida Sopraseuth

09:15-10:45 PARALLEL SESSIONS 1

Parallel Session 1A (room 2121) Identification of News Shocks

Chairperson: Efrem Castelnuovo

- [“Chronicle of a War Foretold: The Macroeconomic Effects of Anticipated Defense Spending Shocks”](#) by **Nadav Ben Zeev** (Ben-Gurion University of the Negev) with Evi Pappa (European University Institute)
Discussant: E. Castelnuovo
- [“A New Identification Of Fiscal Shocks Based On The Information Flow”](#) by **Giovanni Ricco** (London Business School)
Discussant: N. Ben Zeev
- [“Estimating Fiscal Multipliers: News from a Non-linear World”](#) by **Efrem Castelnuovo** (University of Padova) with Giovanni Caggiano (University of Padova)
Discussant: G. Ricco

Parallel Session 1B (room 2129) Monetary Policy and Financial Intermediaries

Chairperson: Frédéric Dufourt

- [“Macroeconomic Implications of Maturity Transformation”](#) by **Xiaobei He** (SHFE, Shanghai Advanced Institute of Finance)
Discussant: F. Dufourt
- [“Large Banks, Loan Rate Markup and Monetary Policy”](#) by **Vincenzo Cuciniello** (Banca d'Italia)
Discussant: X. He
- [“Large Scale Asset Purchases with Segmented Mortgage and Corporate Loan Markets”](#) by **Frédéric Dufourt** (Aix-Marseille School of Economics) with Meixing Dai (University of Strasbourg, BETA) and Qiao Zhang (University of Strasbourg, BETA)
Discussant: V. Cuciniello

Parallel Session 1C (room 2137) International Macroeconomics

Chairperson: Mathias Hoffmann

- [“Skill-Biased Technological Change and the Real Exchange Rate”](#) by **Matthias Gubler** (Swiss National Bank) with Christoph Sax (University of Basel)
Discussant: M. Hoffmann
- [“Invoice thy Neighbor’ into Reserves, Extract Seigniorage and Balance the Current Account”](#) by **Apostolos Apostolou** (IHEID)
Discussant: M. Gubler
- [“International Capital Flows, External Assets and Output Volatility”](#) by **Mathias Hoffmann** (Deutsche Bundesbank) with Michael Krause (Deutsche Bundesbank) and Peter Tillmann (University of Giessen)
Discussant: A. Apostolou

10:45 -11:15 Coffee break

11:15-12:45 PARALLEL SESSIONS 2

Parallel Session 2A (room 2121) Fiscal Policy

Chairperson: Paul Gomme

- [“Currency Unions, Fiscal Policy, and Reversibility Risk”](#) by **Alexander Kriwoluzky** (University of Bonn) with Gernot Müller (University of Bonn) and Martin Wolf (University of Bonn)
Discussant: P. Gomme
- [“State Dependent Pricing and the Government Spending Multiplier”](#) by **Anton Nakov** (ECB and CEPR) with Luca Dedola (ECB and CEPR)
Discussant: A. Kriwoluzky
- [“A Tale of Tax Policies in Open Economies”](#) by **Paul Gomme** (Concordia University) with Aurélien Eyquem (Université Lumière Lyon 2 and GATE) and Stéphane Auray (CREST-ENSAI)
Discussant: A. Nakov

Parallel Session 2B (room 2129) Financial Macroeconomics

Chairperson: Omar Rachedi

- [“Structural VAR, Rare Events and the Transmission of Credit Risk in the Euro Area”](#) by **Mohammed Chahad** (Banque de France) with Filippo Ferroni (Banque de France)
Discussant: O. Rachedi
- [“The Equity Premium in a DSGE Model with Limited Asset Market Participation”](#) by **Lorenzo Menna** (University of Milan-Bicocca) with Patrizio Tirelli (University of Milan-Bicocca)
Discussant: M. Chahad
- [“Asset Pricing with Heterogeneous Inattention”](#) by **Omar Rachedi** (Universidad Carlos III de Madrid)
Discussant: L. Menna

Parallel Session 2C (room 2137) Imperfect Information

Chairperson: Philippe Andrade

- [“Price Dispersion and Private Uncertainty”](#) by **Gaetano Gaballo** (Banque de France)
Discussant: P. Andrade
- [“To Pilot or to Signal? Optimal Monetary Policy when Information is Market-Generated”](#) by **Isabella Blengini** (University of Lausanne) with Kenza Benhima (University of Lausanne)
Discussant: G. Gaballo
- [“Noisy Information and Fundamental Disagreement”](#) by **Philippe Andrade** (Banque de France) with Richard Crump (NY Fed), Stefano Eusepi (NY Fed) and Emanuel Moench (NY Fed)
Discussant: I. Blengini

12:45-14:00 Lunch at Geopolis

14:00-16:00 PARALLEL SESSIONS 3

Parallel Session 3A (room 2121) Optimal Taxation

Chairperson: Andrea Colciago

- [“Ramsey Monetary and Fiscal Policy: the Role of Consumption Taxation”](#) by **Raffaele Rossi** (University of Lancaster) with Giorgio Motta (University of Lancaster)
Discussant: A. Colciago
- [“The Stabilizing Virtues of Fiscal vs. Monetary Policy on Endogenous Bubble Fluctuations”](#) by **Lise Clain-Chamosset-Yvrard** (Aix-Marseille School of Economics) with Thomas Seegmuller (Aix-Marseille School of Economics, CNRS)
Discussant: R. Rossi
- [“Machines, Buildings, and Optimal Dynamic Taxes”](#) by **Ctirad Slavik** (Goethe University)
Discussant: L. Clain-Chamosset-Yvrard
- [“Imperfect Competition and Optimal Taxation”](#) by **Andrea Colciago** (Dutch National Bank)
Discussant: C. Slavik

Parallel Session 3B (room 2129) Labor Economics

Chairperson: Christian Zimmermann

- [“The Role of the Labor Market Structure in Urban Sprawl”](#) by **Vincent Boitier** (Université Paris 1 Panthéon-Sorbonne)
Discussant: C. Zimmermann
- [“The Effect of Wage Moderation on Output and Employment”](#) by **Matthieu Charpe** (International Labour Organization) with Stefan Kuehn (International Labour Organization)
Discussant: A. Lepetit
- [“Reassessing the Rationale for Price Stability in the Presence of Matching Frictions”](#) by **Antoine Lepetit** (Paris School of Economics)
Discussant: M. Charpe
- [“Unemployment Insurance: Isn't Marriage Enough?”](#) by **Christian Zimmermann** (Federal Reserve Bank of St. Louis) with Stephane Pallage (UQAM) and Michel Robe (American University)
Discussant: V. Boitier

Parallel Session 3C (room 2137) International perspective

Chairperson: Nikolai Stähler

- [“The German Labour Market Reforms in a European Context: A DSGE Analysis”](#) by **Claudia Busl** (Centre of European Economic Research, ZEW) with Atilim Seymen (ZEW)
Discussant: N. Stähler
- [“Current Account Dynamics in Emerging Markets: Is the Cycle really the Trend?”](#) by **Stefan Notz** (University of Zurich) and Mathias Hoffmann (University of Zurich)
Discussant: C. Busl
- [“Taxation and Protectionism”](#) by **Matthieu Lemoine** (Banque de France) with François Langot (University of Le Mans, GAINS-TEPP)
Discussant: S. Notz
- [“Optimal Unemployment Insurance and International Risk Sharing”](#) by **Nikolai Stähler** (Deutsche Bundesbank) with Stéphane Moyen (Deutsche Bundesbank) and Fabian Winkler (LSE)
Discussant: M. Lemoine

16:00-16:30 Coffee Break

16:30-18:00 INVITED SESSION (Auditorium 1620)

Chairperson: Thepthida Sopraseuth

Simon GILCHRIST (Boston University)

[“Inflation Dynamics During the Financial Crisis”](#)

Discussant: Hervé Le Bihan (Banque de France)

20:30 Conference Dinner at « Lausanne Palace », Lausanne

Friday – February 14th, 2014

09:00-10:30 PARALLEL SESSIONS 4

Parallel Session 4A (room 2121) Fiscal Policy

Chairperson: Mathieu Grob  ty

- [“Procyclical Debt as Automatic Stabilizer”](#) by **Dennis Wesselbaum** (University of Hamburg)
Discussant: M. Grob  ty
- [“Imperfect Mobility of Labor Across Sectors and the Fiscal Transmission”](#) by **Romain Restout** (Universit   de Lorraine) with Olivier Cardi (Universit   Panth  on-Assas Paris 2) and Peter Claeys (Vrije Universiteit Brussel)
Discussant: D. Wesselbaum
- [“Government Debt and Growth: the Role of Liquidity”](#) by **Mathieu Grob  ty** (Swiss National Bank)
Discussant: R. Restout

Parallel Session 4B (room 2129) Price and Wage Setting

Chairperson: Herv   Le Bihan

- [“Endogenous Wage Indexation and Aggregate Shocks”](#) by **Julio Carrillo** (Banco de M  xico) with Gert Peersman (Ghent University) and Joris Wauters (Ghent University)
Discussant: C. Poilly
- [“Random Wage Indexation and Optimal Monetary Policy”](#) by **Jonathan Attey** (Erasmus University Rotterdam) with Casper de Vries (Erasmus University Rotterdam)
Discussant: J. Carrillo
- [“Small and Large Price Changes and the Propagation of Monetary Shocks”](#) by **Herv   Le Bihan** (Banque de France) with Fernando Alvarez (University of Chicago) and Francesco Lippi (EIEF & University of Sassari)
Discussant: J. Attey

Parallel Session 4C (room 2137) Growth

Chairperson: Eva Moreno Galbis

- [“Beyond the Arrow Effect: Income Distribution and the Emergence of Multi-Quality Firms in a Schumpeterian Framework”](#) by **H  l  ne Latzer** (Universit   Catholique de Louvain)
Discussant: E. Moreno Galbis
- [“Inequality and the Marriage Gap”](#) by **Nawid Siassi** (University of Konstanz)
Discussant: H. Latzer
- [“The Spanish Productivity Puzzle in the Great Recession”](#) by **Eva Moreno Galbis** (University of Angers) with Laura Hospido (Bank of Spain)
Discussant: N. Siassi

10:30-11:00 Coffee break

11:00-12:30 INVITED SESSION (Auditorium 1620)

Imperfect Information in Macroeconomics

Chairperson: Kenza Benhima

- “[Noisy News in Business Cycles](#)” by **Luca Gambetti** (Universitat Autònoma de Barcelona) with Mario Forni (Università di Modena e Reggio Emilia), Marco Lippi (Università di Roma La Sapienza) and Luca Sala (Università Bocconi)
- “[Monetary Shocks with Inattentive Producers](#)” by **Luigi Paciello** (EIEF) with Fernando Alvarez (University of Chicago) and Francesco Lippi (EIEF)

12:30-13:45 Lunch at Geopolis

13:45-15:15 PARALLEL SESSIONS 5

Parallel Session 5A (room 2121) Monetary Policy

Chairperson: Michel Normandin

- “[Optimal policy behind a ‘Veil of Ignorance’](#)” by **Charles Brendon** (European University Institute) with Martin Ellison (University of Oxford)
Discussant: M. Normandin
- “[Expectations and Fluctuations: The Role of Monetary Policy](#)” by **Michalis Rousakis** (European University Institute)
Discussant: C. Brendon
- “[Conventional Monetary Policy and the Term Structure of Interest Rates during the Financial Crisis](#)” by **Michel Normandin** (HEC Montreal) with Denis Larocque (HEC Montreal) and Tolga Cenesizoglu (HEC Montreal)
Discussant: M. Rousakis

Parallel Session 5B (room 2129) Financial Macroeconomics

Chairperson: Galo Nuno

- “[Identification of Financial Factors in Economic Fluctuations](#)” by **Francesco Furlanetto** (Norges Bank)
Discussant: G. Nuno
- “[Interest Rates, Leverage, and Business Cycles in Emerging Economies. The Role of Financial Frictions](#)” by **Adam Gulan** (Bank of Finland) and Andres Fernandez (Inter-American Development Bank)
Discussant: F. Furlanetto
- “[Bank Leverage Cycles](#)” by **Galo Nuno** (ECB) and Carlos Thomas (Banco de España)
Discussant: A. Gulan

Parallel Session 5C (room 2137) Environment

Chairperson: Aude Pommeret

- “[The Role of R&D with a Continuum of Technologies and Environmental Degradation: An Optimal Control Approach](#)” by **Anton Bondarev** (University of Bielefeld) with Alfred Greiner
Discussant: A. Pommeret
- “[Environmental Policy and Growth in a Model with Endogenous Environmental Awareness](#)” by **Marion Davin** (Aix Marseille University) with Karine Constant (Aix Marseille University)
Discussant: A. Bondarev
- “[Adaptation versus Abatement Investment under Pollution Irreversibility](#)” by **Aude Pommeret** (Université de Savoie) and Alain Ayong Le Kama (EconomiX-Université de Nanterre)
Discussant: M. Davin

15:15-15:30 Coffee break

15:30-17:00 PARALLEL SESSIONS 6

Parallel Session 6A (room 2121) Fiscal Policy

Chairperson: Hafdth Bouakez

- [“Sources of Borrowing and Fiscal Multipliers”](#) by **Romanos Priftis** (European University Institute)
Discussant: H. Bouakez
- [“Fiscal Austerity and the Informativeness of Credit Ratings”](#) by **Anna Gibert** (European University Institute)
Discussant: R. Priftis
- [“Public Investment, Time to Build and the Zero Lower Bound”](#) by **Hafdth Bouakez** (HEC Montréal) with Michel Guillard (Univ. D'Every Val d'essonne) and Jordan Roulleau-Pasdeloup (PSE)
Discussant: A. Gibert

Parallel Session 6B (room 2129) Housing

Chairperson: Luis Franjo

- [“Housing Market Regulation and Social Network”](#) by **Antoine Bonleu** (Aix Marseille School of Economics)
Discussant: L. Franjo
- [“Mortgage Amortization and Welfare”](#) by **Chiara Forlati** (EPFL) with Luisa Lambertini (EPFL)
Discussant: A. Bonleu
- [“International Interest Rates and Housing Markets”](#) by **Luis Franjo** (EPFL)
Discussant: C. Forlati

Parallel Session 6C (room 2137) Structural VARs

Chairperson: Angeliki Theophilopoulou

- [“The Information Content of Surprise Changes in the Fed Funds Futures Rate: Are They Monetary Shocks?”](#) by **Wei Li** (Erasmus University Rotterdam)
Discussant: A. Theophilopoulou
- [“Sovereign Debt and Growth Expectations”](#) by **Juan Equiza** (ECARES-Univ Libre de Bruxelles)
Discussant: W. Li
- [“The Impact of Uncertainty Shocks under Measurement Error. A Proxy SVAR approach”](#) by **Angeliki Theophilopoulou** (University of Westminster) with Haroon Mumtaz (Queen Mary University of London), Andrea Carriero (Queen Mary University of London) and Konstantinos Theodoridis (Bank of England)
Discussant: J. Equiza

17:00-17:15 Closing remarks (room 2144)

Thepthida Sopraseuth (THEMA and University of Cergy Pontoise)

CONFERENCE VENUE

The conference will be located at **Geopolis Building** at Lausanne University

Address : Géopolis, 1022 Chavannes-près-Renens, Vaud, Suisse.

How to get here:

Metro station: M1 stop at UNIL-Mouline

From the “Lausanne Gare” station to the “UNIL-Mouline” station, you can easily take a Metro M2 in the direction “Croisettes” and get off at the stop “Lausanne Flon”.

Then, take the Metro M1 in the direction “Renens” and get off at the stop “UNIL Mouline”. The building is in front of you when you exit the metro.

It takes approximately 20 minutes to go from Lausanne Gare to Unil Mouline.

See the attached map and [public transportation website](#)

When you book your room in a hotel, a pass is typically included for unlimited Lausanne public transportation.

GUIDELINE FOR SESSIONS

A presentation should be limited to 25 minutes (including questions), after which 5 minutes will be allocated to a discussant. Discussions are allocated by the organizers. Please check which paper you have to discuss and the session you might chair.

Should you want to post an updated version of your work, please send it to t2mconference@gmail.com. A USB stick will be provided to you at the beginning of the conference with all the papers.



Adresse **Géopolis**
1022 Chavannes-près-Renens,
Suisse

