

T2M

20TH CONFERENCE

THEORIES AND METHODS IN MACROECONOMICS

Banque de France, Paris



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Labex MME-DII

Modèles Mathématiques et Économiques de la
Dynamique, de l'Incertitude et des Interactions



Théma

Organizers :

Hervé Le Bihan, Banque de France

Matthieu Lemoine, Banque de France

Julien Matheron, Banque de France

Jean-Guillaume Sahuc, Banque de France

Thepthida Sopraseuth, Université de Cergy Pontoise, Théma

Thursday - March 24th, 2016

08:30-09:00, Registration

09:00-09:15, Welcome address - Room 1

Julien Matheron (Banque de France) and Thepthida Sopraseuth (University of Cergy, Thema, IUF)

09:15-10:45, PARALLEL SESSIONS 1

Parallel Session 1A : Informational Frictions - Room 1 - Chairperson: Josef Hollmayr

Sang Seok Lee (Bilkent U.), [Information Value of the Interest Rate and the Zero Lower Bound](#) Discussant : Eric Mengus

Mengus Eric (HEC Paris), with Jean Barthélémy (Banque de France), [The signaling effect of raising inflation](#) Discussant : Josef Hollmayr

Josef Hollmayr (Deutsche Bundesbank), with Michael Kuhl (Deutsche Bundesbank), [Learning about Banks' Net Worth and the Slow Recovery after the Crisis](#). Discussant : Sang Seok Lee

Parallel Session 1B : Monetary Policy I – Room 4 - Chairperson: Taisuke Nakata

Ragot Xavier (PSE and OFCE), [Money and capital accumulation over the business cycle](#). Discussant : Taisuke Nakata

Anton Nakov (ECB and CEPR), with Luca Dedola (ECB and CEPR), [State-Dependent Pricing and the Paradox of Flexibility](#). Discussant : Xavier Ragot

Taisuke Nakata (Federal Reserve Board), with Timothy Hills (NYU) and Sebastian Schmidt (ECB), [The Risky Steady State and the Interest-Rate Lower Bound](#) Discussant : Anton Nakov

Parallel Session 1C: Financial Frictions I – Room 5 - Chairperson: Patrick Pintus

Adam Gulan (Bank of Finland), with Roberto Chang (Rutgers and NBER) and Andres Fernandez (Inter-American Development Bank) [Bond Finance, Bank Credit, and Aggregate Fluctuations in an Open Economy](#). Discussant : Leonor Modesto

Leonor Modesto (UCP, Católica Lisbon School of Business and Economics, and IZA), with Francesco Carli (UCP, Católica Lisbon School of Business and Economics), [Endogenous Credit and Investment Cycles with Asset Price Volatility](#). Discussant : Patrick Pintus

Patrick Pintus (Banque de France), with Yi Wen (Fed. St Louis, Tsinghua U.) and Xiaochuan Xing (Tsinghua U.), [Interest Rate Dynamics, Variable-Rate Loan Contracts, and the Business Cycle](#). Discussant : Adam Gulan

10:45 -11:15, Coffee break

11:15-12:45, PARALLEL SESSIONS 2

Parallel Session 2A: Reassessing Business Cycle Facts I - Room 1 - Chairperson: Fabien Tripier

Sarah Mouabbi (Banque de France), with Andrea Carriero (Queen Mary, London) and Elisabetta Vangelista (UK debt Management office), [UK term structure decompositions at the zero lower bound](#). Discussant: Clara Wolf

Clara Wolf (Sciences Po), with Eric Monnet (Banque de France), [Demographic Cycle, Migration and Housing Investment: a Causal Examination](#). Discussant: Thomas Grjebine

Thomas Grjebine (Cepii), with Fabien Tripier (U. Lille 1, Clerse and cepii), [Excess Finance and Growth: Don't Lose Sight of Expansions !](#) Discussant: Sarah Mouabbi

Parallel Session 2B : Sovereign Debt I – Room 4 - Chairperson: Aurélien Eyquem

Gaetano Gaballo (Banque de France), with Ariel Zetlin-Jones (Carnegie Mellon), [Bailouts, Moral Hazard, and Banks' Home Bias for Sovereign Debt](#). Discussant : Francesco Molteni

Francesco Molteni (Cepii), [Liquidity, Government Bonds and Sovereign Debt Crises](#). Discussant : Xiaofei Ma

Xiaofei Ma (Crest-Ensay, GATE), with Stéphane Auray (Crest-Ensay, ULSO), Eyquem Aurélien (Crest-Ensay, GATE), [Banks, Sovereign Risk and Unconventional Monetary Policies](#). Discussant : Gaetano Gaballo

Parallel Session 2C : Fiscal Policy I : Fiscal policy at ZLB – Room 5 – Chairperson: Hafedh Bouakez

Harri Turunen (Banque de France), [Government spending in a volatile economy at the zero lower bound](#). Discussant : Sebastian Schmidt

Sebastian Schmidt (ECB), [Lack of confidence, the zero lower bound, and the virtue of fiscal rules](#). Discussant : Hafedh Bouakez

Hafedh Bouakez (HEC Montréal), with Michel Guillard (U. Evry, EPEE) and Jordan Roulleau-Pasdeloup (DEEP, HEC Lausanne), [The Optimal Composition of a Stimulus: The Role of Public Investment](#). Discussant : Harri Turunen

12:45-13:45, Lunch (Catering area)

14:00-16:00, PARALLEL SESSIONS 3

Parallel Session 3A : International Macroeconomics – Room 4 - Chairperson: Céline Poilly

Romanos Priftis (European Commission), [Fiscal Policy Coordination Under the Zero-Lower Bound](#). Discussant : Giorgio Fabbri

Giorgio Fabbri (AMSE), with Raouf Boucekkine (AMSE) and Patrick Pintus (Banque de France), [Risk sharing and growth in small-open economies](#). Discussant : Tannous Kass-Hanna

Tannous Kass-Hanna (TSE), [The International Spillovers of Noisy Fiscal Policy](#). Discussant : Céline Poilly

Céline Poilly (HEC Lausanne), with Lise Patureau (U. Dauphine, LEDa), [International Competitiveness: Product Deregulation and Internal Devaluation](#). Discussant : Romanos Priftis

Parallel Session 3B : Fiscal Policy II : Fiscal Multiplier – Room 1 - Chairperson: Martial Dupaigne

Marco Bernardini (Ghent U.), with Gert Peersman (Ghent U.), [Private Debt Overhang and the Government Spending Multiplier: Evidence for the United States.](#)

Felix Strobel (Humboldt-Universität zu Berlin), [The government spending multiplier in an economy with sovereign risk and uncertainty.](#) Discussant : Martial Dupaigne

Martial Dupaigne (TSE), with Patrick Fève (TSE), [Persistent Government Spending and Fiscal Multipliers: The Investment Channel.](#) Discussant : Marco Bernardini

Parallel Session 3C : Labor – Room 5 - Chairperson: Christian Merkl

Antoine Lepetit (PSE), with Claudia Foroni (Norges Bank) and Francesco Furlanetto (Norges Bank) , [Labor supply factors and economic fluctuations.](#) Discussant : Alexandre Ounnas

Alexandre Ounnas (IRES), [Downward Occupational Mobility and Unemployment,](#) Discussant : Etienne Lale

Etienne Lale (U. of Bristol), with Juan Dolado (EUI) and Nawid Siassi (U.of Konstanz) [Moving towards a Single Labour Contract: Transition vs. Steady-state.](#) Discussant : Christian Merkl

Christian Merkl (FAU, IfW), with Britta Kohlbrecher (FAU), [Business Cycle Asymmetries and the Labor Market.](#) Discussant : Antoine Lepetit

Parallel Session 3D : Expectations and Forecasting – Room 7 – Chairperson: Philippe Andrade

Marine Charlotte André (BETA), with Meixing Dai (BETA), [Learning, robust monetary policy and the merit of precaution.](#) Discussant : Marco Maria Sorge

Marco Maria Sorge (U. Gottingen), with Luca Fanelli (U. Bologna), [Indeterminacy, misspecification and forecastability: Good luck in bad policy?.](#) Discussant : Andreas Tryphonides

Andreas Tryphonides (EUI) , [Improving Inference for Dynamic Economies with Frictions - The role of Qualitative Survey data.](#) Discussant : Philippe Andrade

Philippe Andrade (ECB), with Eric Ghysels (U. North Carolina) and Julien Idier (Banque de France), [Tails of inflation forecasts and tales of monetary policy.](#) Discussant : Marine Charlotte André

16:00 - 16:30, Coffee break

16:30-18:00, INVITED SESSION - Room 1

Chairperson: Hervé le Bihan (Banque de France)

Olivier Coibion (UT Austin and NBER)

[“How Do Firms Form their Expectations? New Survey Evidence”](#)

Discussant: **Erwan Gautier (Université de Nantes, Banque de France)**

Friday – March 25th, 2016

09:00-10:30, PARALLEL SESSIONS 4

Parallel Session 4A : Macroprudential Policy – Room 5 – Chairperson: Pablo Garcia

Davide Romelli (ESSEC), [Central Bankers as Supervisors: Do Crises Matter?](#) Discussant : Mario Pietrunti

Mario Pietrunti (Banca d'Italia), [Macroprudential policies and the real economy.](#) Discussant : Pablo Garcia

Pablo Garcia (TSE), [Capital Requirements, Informational Frictions and Business Cycles. A Nonlinear Approach.](#) Discussant : Davide Romelli

Parallel Session 4B : Reassessing Business Cycle Facts II – Room 4 – Chairperson: Guillaume Horny

Stéphane Lhuissier (Cepii), [The Regime-switching Volatility of Euro Area Business Cycles.](#) Discussant : Christian Grimme

Christian Grimme (IfO of U. of Munich), [Uncertainty Shocks and Credit Spreads in Bank-Based and Market-Based Financial Systems.](#) Discussant : Guillaume Horny

Guillaume Horny (Banque de France), with Simone Manganelli (ECB) and Benoît Mojon (Banque de France), [Measuring Financial Fragmentation in the Euro Area Corporate Bond Market](#) Discussant : Stéphane Lhuissier

Parallel Session 4C : Financial Frictions II – Room 1 – Chairperson: Adrian Penalver

Davide Melcangi (University College London), [Firms' precautionary savings and employment during a credit crisis.](#) Discussant : Justine Pedrono

Justine Pedrono (AMSE), with Aurélien Violon (Banque de France), [Banks' leverage: does US dollar diversification really matter?](#) Discussant : Adrian Penalver

Adrian Penalver (Banque de France), [Banks and the rational credit](#) cycle Discussant : Davide Melcangi

Parallel Session 4D : Price Dynamics – Room 6 - Chairperson: Michel Normandin

Jasmien De Winne (Ghent University), with Gert Peersman (Ghent University) [The Real Effects of Disruptions in Global Food Commodity Markets: Evidence for the United States.](#) Discussant : Matteo Mogliani

Matteo Mogliani (Banque de France), with Giovanni Urga (Cass Business School, UK), [On the Instability of Long-run Money Demand and the Welfare Cost of Inflation in the U.S.](#) Discussant : Michel Normandin

Michel Normandin (HEC Montréal), with Alexandre Jeanneret (HEC Montreal), [Impact of Commodity Prices on High-yield Currencies: the Role of Financial Conditions](#) Discussant : Jasmien De Winne

10:30-11:00, Coffee break

11:00-12:30 , PARALLEL SESSIONS 5

Parallel Session 5A: Sovereign Debt II – Room 4 – Chairperson: Dmitry Matveev

Christoph Grosse Steffen (DIW), [Uncertainty Shocks and Non-Fundamental Debt Crises: An Ambiguity Approach](#). Discussant : Juan Equiza-Goñi

Juan Equiza-Goñi (U. of Navarra), with Elisa Faraglia (U. Cambridge) and Rigas Oiknomou (UCL, Ires-Core), [Union Debt Management](#). Discussant : Dmitry Matveev

Dmitry Matveev (U. of Mannheim), [Debt Maturity, Monetary Policy and Fiscal Sustainability without Commitment](#). Discussant : Christoph Grosse Steffen

Parallel Session 5B: Economic Policy under Incomplete Markets – Room 5 - Chairperson: Julien Matheron

Karine Constant (AMSE), [Environmental Policy and Inequality: A Matter of Life and Death](#). Discussant : Sumudu Kankanamge

Sumudu Kankanamge (TSE), with Thomas Weitzenblum (Gain-Tepp, U. of Maine, Cepremap), [Time-consistent unemployment insurance](#) Discussant : Julien Matheron

Julien Matheron (Banque de France), with Edouard Challe (Polytechnique), Xavier Ragot (PSE, OFCE) and Juan Rubio-Ramirez (Duke University and Atlante Fed), [Precautionary saving and aggregate fluctuations](#) Discussant : Karine Constant

Parallel Session 5C: Fiscal policy III: Taxation – Room 6 – Chairperson: Teresa Lloyd-Braga

Serhiy Stepanchuk (EPFL Lausanne), with Hans Holter (U. of Oslo) and Dirk Kruger (U. of Pennsylvania, NBER) [How Do Tax Progressivity and Household Heterogeneity Affect Laffer Curves?](#). Discussant : Antoine Camous

Antoine Camous (U. Mannheim), [Fiscal Discipline on Monetary Policy](#). Discussant : Teresa Lloyd-Braga

Teresa Lloyd-Braga (Catolica Lisbon School of Business and Economics), with Leonor Modesto (Catolica Lisbon School of Business and Economics and IZA), [Balanced-budget fiscal policy \(de\)stabilizing rules](#). Discussant : Serhiy Stepanchuk

Parallel Session 5D: Fundamental or Non Fundamental Shocks ? – Room 1 - Chairperson: Patrick Fève

Filippo Ferroni (Banque de France), with Stefano Grassi (U. of Kent) and Miguel Leon-Ledesma (U. of Kent), [Fundamental shock selection in DSGE models](#). Discussant : Kenza Benhima

Kenza Benhima (HEC Lausanne), with Céline Poilly (HEC Lausanne), [The Identification of News and Noise on Demand and Supply](#). Discussant : Patrick Fève

Patrick Fève (TSE), with Paul Beaudry (U. of British Columbia, NBER), Alain Guay (UQAM) and Franck Portier (TSE) , [When is nonfundamentalness in VARs a real problem? An application to news shocks](#). Discussant : Filippo Ferroni

12:30-13:45, Lunch (Catering area)

14:00-15:30, PARALLEL SESSIONS 6

Parallel Session 6A : New Shocks, New Risks – Room 4 – Chairperson: Marlène Isoré

Ambrogio Cesa-Bianchi (Bank of England), with Emilio Fernandez-Corugedo (IMF), [Uncertainty in a model with credit frictions](#). Discussant : Johannes Pfeifer

Johannes Pfeifer (U. of Mannheim), with Benjamin Born (U. of Bonn, CEPR), [Uncertainty-driven business cycles: assessing the markup channel](#). Discussant : Marlène Isoré

Marlène Isoré (U. of Helsinki, Bank of Finland), with Urszula Szczerbowicz (Cepii) , [Disaster Risk and Preference Shifts in a New Keynesian Model](#). Discussant : Ambrogio Cesa-Bianchi

Parallel Session 6B: Frontiers in VAR model – Room 5 – Chairperson: Florian Pelgrin

Julio Carrillo (Banco de México), with Rocio Elizondo (Banco de México) , [How Robust Are SVARs at Measuring Monetary Policy in Small Open Economies?](#) Discussant : Klodiana Istrefi

Klodiana Istrefi (Banque de France), with Balazs Vonnak (Magyar Nemzeti Bank), [Delayed Overshooting Puzzle in Structural Vector Autoregression Models](#) Discussant : Florian Pelgrin

Florian Pelgrin (Edhec), with Alain Guay (UQAM), [A Reliable and Testable Alternative to Long-run Restrictions in Structural VAR models](#) Discussant : Julio Carrillo

Parallel Session 6C : Non-linear Dynamics using New Methods – Room 6 – Chairperson: Julien Albertini

Inna Tsener (U. of the Balearic Islands), with Lilia Maliar (Stanford), Serguei Maliar (U. Santa Clara) and John Taylor (Stanford), [A tractable framework for analyzing a class of nonstationary Markov models](#) Discussant : Tom Holden

Tom Holden (U. of Surrey), [Existence, uniqueness and computation of solutions to DSGE models with occasionally binding constraints](#) Discussant : Julien Albertini

Julien Albertini (Humboldt U.), with Gonh Lan (Humboldt U.) , [The importance of time-varying parameters in new Keynesian model with zero lower bound](#) Discussant : Inna Tsener

Parallel Session 6D: Monetary policy II: Self-fulfilling Crisis – Room 1 - Chairperson: Olivier Loisel

Magali Marx (Banque de France), with Jean Barthélémy (Banque de France), [Monetary Policy Switching and Indeterminacy](#) Discussant : Irfan Qureshi

Irfan Qureshi (Warwick), [Monetarism, indeterminacy and the Great Inflation](#) Discussant : Olivier Loisel

Olivier Loisel (CREST), [The Implementation of Stabilization Policy](#) Discussant : Magali Marx

15:30-16:00, Coffee