Conference Programme
Fourth Conference on Recent Developments in Macroeconomics

Date: 18-19 July 2013

Venue: Centre for European Economic Research (ZEW)
L7, 1
68161 Mannheim
Germany

Information: www.zew.de/macroconference2013

Centre for European Economic Research (ZEW), Mannheim

The Centre for European Economic Research (ZEW) in Mannheim is a non-profit and independent institute with the legal form of a limited liability company (GmbH). Founded in 1990 on the basis of a public-private initiative in the Federal State of Baden-Württemberg in co-operation with the University of Mannheim, ZEW is one of Germany’s leading economic research institutes and enjoys a strong reputation throughout Europe.

The ZEW pursues four key objectives:

- To conduct research of the highest quality
- To provide exceptional economic policy advising
- To train young economists, and
- To inform the professional and lay public

The Institute focuses on decision-makers in politics, economics, and administration, scientists in the national and international arena as well as the interested public. Regular interviews on the situation on the financial markets and the economic situation of the information industry as well as the large-scale annual study on innovation activities in the German economy are representative for the different types of information provided by ZEW.
<table>
<thead>
<tr>
<th>Time</th>
<th>Room 1</th>
<th>Room 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>08:30 – 09:00</td>
<td>Registration</td>
<td></td>
</tr>
<tr>
<td>09.00 - 09.15</td>
<td>Welcome and Introduction</td>
<td></td>
</tr>
<tr>
<td>09.15 - 10.15</td>
<td>Keynote Speech</td>
<td>Carlo Favero</td>
</tr>
<tr>
<td>10.15 - 10.30</td>
<td>Coffee Break</td>
<td></td>
</tr>
<tr>
<td>10.30 - 12.00</td>
<td>Parallel Sessions</td>
<td>Financial Stress</td>
</tr>
<tr>
<td>12.00 - 13.00</td>
<td>Lunch</td>
<td></td>
</tr>
<tr>
<td>13.00 - 14.30</td>
<td>Parallel Sessions</td>
<td>Inflation 1</td>
</tr>
<tr>
<td>14.30 - 15.00</td>
<td>Coffee Break</td>
<td></td>
</tr>
<tr>
<td>15.00 - 16.30</td>
<td>Parallel Sessions</td>
<td>Empirical Macro</td>
</tr>
<tr>
<td>16.30 - 17.00</td>
<td>Coffee Break</td>
<td></td>
</tr>
<tr>
<td>17:00 - 18:30</td>
<td>Parallel Sessions</td>
<td>Forecasting</td>
</tr>
<tr>
<td>18:30 - 21:00</td>
<td>Conference Dinner</td>
<td></td>
</tr>
<tr>
<td>Friday</td>
<td>Room 1</td>
<td>Room 2</td>
</tr>
<tr>
<td>----------------</td>
<td>-------------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>09.00 - 10.30</td>
<td><strong>Parallel Sessions</strong></td>
<td>Business Cycles 2</td>
</tr>
<tr>
<td>10.30 - 11.00</td>
<td><strong>Coffee Break</strong></td>
<td></td>
</tr>
<tr>
<td>11.00 - 12.00</td>
<td><strong>Keynote Speech</strong></td>
<td>Willi Semmler</td>
</tr>
<tr>
<td>12.00 - 12.30</td>
<td><strong>Coffee Break</strong></td>
<td></td>
</tr>
<tr>
<td>12.30 - 14.00</td>
<td><strong>Parallel Sessions</strong></td>
<td>Spillovers</td>
</tr>
</tbody>
</table>
Thursday, July 18

09:00 – 09:15, Room 1
Welcome and Introduction

09:15 – 10:15, Room 1
Keynote Speech:

“The Output Effect of Fiscal Consolidations”
Carlo Favero (IGIER – Università Bocconi, Milan)

10:15 – 10:30
Coffee Break

10:30 – 12:00
Session A1: Financial Stress, Room 1
Chair: Marcus Kappler

Wavelet-Based Early Warning Composite Indicators: An Application to the US Financial Stress Index
Marco Gallegati (Polytechnic University of Marche, Ancona)

An Early-Detection Index of Fiscal Stress for EU Countries
Katia Berti (European Commission, Brussels), Matteo Salto (European Commission, Brussels) and Matthieu Lequien

How Many Factors and Shocks Cause Financial Stress?
Marcus Kappler (ZEW Mannheim) and Frauke Schleer (ZEW Mannheim)

Session A2: Business Cycles 1, Room 2
Chair: Efrem Castelnuovo

Business Cycle Fluctuations and Private Savings in OECD Countries: A Panel Data Analysis
Yvonne Adema (Erasmus University, Rotterdam) and Lorenzo Pozzi (Erasmus University, Rotterdam)

Trend-Cycle Interactions and Cointegration Analysis in the Multivariate UC Framework: An Empirical Application to the US GDP and Consumption
Max Soloschenko (University of Regensburg) and Enzo Weber (University of Regensburg)

Uncertainty Shocks and Unemployment Dynamics: An Analysis of Post-WWII U.S. Recessions
Giovanni Caggiano (University of Padova), Efrem Castelnuovo (University of Padova) and Nicolas Groshenny (University of Adelaide)
12:00 – 13:00
Lunch

13:00 – 14:30
Session B1: Inflation 1, Room 1
Chair: Raphael Schoenle

Institutional and Macroeconomic Determinants of Long-Term in Inflation Uncertainty - An Empirical Study
Christian Conrad (Heidelberg University) and Matthias Hartmann (Heidelberg University)

Inflation Targeting, Credibility and Non-Linear Taylor Rules
Matthias Neuenkirch (RWTH Aachen) and Peter Tillmann (Justus-Liebig-University, Giessen)

Inflation Dynamics during the Financial Crisis
Simon Gilchrist (Boston University), Raphael Schoenle (Brandeis University), Jae Sim (Federal Reserve Board) and Egon Zakrajsek (Federal Reserve Board)

Session B2: Unemployment, Room 2
Chair: Finn Martensen

The Matching Function: A Selection-Based Interpretation
Britta Kohlbrecher (Friedrich-Alexander-University, Erlangen-Nuremberg), Christian Merkl (Kiel Institute for the World Economy (IfW)) and Daniela Nordmeier (Institute for Employment Research, Nuremberg)

Trade and Unemployment Revisited: Do Institutions Matter?
Stella Capuano (Institute for Employment Research, Nuremberg) and Hans-Jörg Schmerer (Institute for Employment Research, Nuremberg)

Globalization, Unemployment, and Product Cycles: Short and Long Run Effects
Finn Martensen (University of Konstanz)

14:30 – 15:00
Coffee Break

15:00 – 16:30
Session C1: Empirical Macro, Room 1
Chair: William Addessi

Verdoorn’s Law Revisited: On How and Why the Relationship between Employment and GDP Changed
Sabine Klinger (Institute for Employment Research, Nuremberg) and Enzo Weber (Institute for Employment Research, Nuremberg)

Monetary Policy Transmission and Exchange Rate Pass-Through in Poland: Evidence from a Time-Varying VAR
Olga Arratibel (European Central Bank) and Henrike Michaelis (University of Munich)

The Effect of Productivity and Preference Shocks on Differentiated-Consumption-Goods Movements
William Addessi (University of Sassari)
Session C2: Economic Policies in Times of Crises, Room 2
Chair: Bernd Süßmuth

Savings Behavior and Means-Tested Programs
Felix Wellschmied (University of Bonn)

Target Balances and the ECB’s Monetary Policy
Philippine Cour-Thimann (European Central Bank)

Scrapping Subsidies in Times of Global Crisis: How Long is the Shadow of Fiscal Stimulus?
David Leuwer (University of Leipzig) and Bernd Süßmuth (University of Leipzig)

16:30 – 17:00
Coffee Break

17:00 – 18:30
Session D1: Forecasting, Room 1
Chair: Christian Grisse

Forecasting GDP at the Regional Level with Many Predictors
Robert Lehmann (Ifo Institute, Munich) and Klaus Wohlrabe (Ifo Institute, Munich)

Outperforming IMF Forecasts by the Use of Leading Indicators
Katja Drechsel (Halle Institute for Economic Research (IWH)), Sebastian Giesen (Halle Institute for Economic Research (IWH)) and Axel Lindner (Halle Institute for Economic Research (IWH))

Exchange Rates and External Imbalances
Christian Grisse (Swiss National Bank) and Thomas Nitschka (Swiss National Bank)

Session D2: Sovereign Debt, Room 2
Chair: Andrea Tiseno

Enhanced Debt Management for the Eurozone: Reconnecting Public Debt Management with Monetary Policy to Attain Sustainable Growth and National Debt
Richard A. Werner (University of Southampton)

Detecting Regime Shifts in Euro Area Government Bond Risk Pricing: The Impact of the Financial Crisis
Lorenzo Pozzi (Erasmus University Rotterdam & Tinbergen Institute) and Barbara Sadaba (Erasmus University Rotterdam and Tinbergen Institute)

The Elasticity of Demand for Sovereign Debt - Evidence From OECD Countries (1995-2010)
Giuseppe Grande (Banca d'Italia), Sergio Masciantonioa (Banca d'Italia) and Andrea Tiseno (Banca d'Italia)

18:30 – 21:00
Conference Dinner
Friday, July 19

09:00 – 10:30
Session E1: Business Cycles 2, Room 1
Chair: Dennis Wesselbaum

*The Janus-faced Role of Variable Capital Utilization in Growth and Business Cycle Theory*
Holger Strulik (University of Goettingen) and Timo Trimborn (University of Goettingen)

*Does Short-Time Work Save Jobs? A Business Cycle Analysis*
Almut Balleer (RWTH Aachen), Britta Gehrke (Friedrich-Alexander Universität Erlangen-Nuremberg), Wolfgang Lechthaler (Kiel Institute for the World Economy (IfW)) and Christian Merkl (Kiel Institute for the World Economy (IfW))

*Procyclical Debt as Automatic Stabilizer*
Dennis Wesselbaum (University of Hamburg)

10:30 – 11:00
Coffee Break

11:00 – 12:00, Room 1
Keynote Speech:

*“Fiscal Consolidation from the Perspective of Multi-Regime Studies”*
Willi Semmler (New School for Social Research, New York)

12:00 – 12:30
Coffee Break
12:30 – 14:00

Session F1: Spillovers, Room 1
Chair: Matthieu Charpe

**Measuring Bilateral Spillover and Testing Contagion on Sovereign Bond Markets in Europe**
Peter Claeysi (Universitat de Barcelona) and Bořek Vašíček (Czech National Bank)

**A Theory of Sovereign Risk Premia and Financial Intermediation in the Euro Area**
Philipp Engler (Free University, Berlin) and Christoph Große Steffen (German Institute for Economic Research (DIW), Berlin)

**The Effect of Wage Moderation on Output and Employment**
Matthieu Charpe (International Labour Organization) and Stefan Kühn (International Labour Organization)

Session F2: Macro and Econometrics, Room 2
Chair: Timo Bettendorf

**On the Macroeconomic Determinants of Long-Term Volatilities and Correlations in U.S. Crude Oil and Stock Markets**
Christian Conrad (Heidelberg University), Karin Loch (Heidelberg University) and Daniel Rittler (Heidelberg University)

**Real Interest Rate Convergence among G7 Countries**
Jana Riedel (University of Muenster)

**Feeding the Global VAR with theory: Is German wage moderation responsible for European imbalances?**
Timo Bettendorf (University of Kent)