

## Conference Programme „Recent Developments in Macroeconomics“

*Date:* 07-08 July 2009

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

*Information:* <http://www.zew.de/en/veranstaltungen/details.php?LFDNR=983>

### **Centre for European Economic Research (ZEW), Mannheim**

The ZEW is a non-profit economic research institute with the legal form of a limited liability company (GmbH). Founded in 1990, it took up work in April 1991 and meanwhile belongs to the leading German economic research institutes, which are all members of the Leibniz Association. The ZEW is engaged in the field of applied empirical economic research. It has particularly distinguished itself nationally and internationally by its work on internationally comparative issues in the European context. The ZEW's main tasks comprise economic research, economic policy counselling, and knowledge transfer. The institute primarily addresses decision makers in politics, trade and industry, and administration as well as scientists and the interested public.

# AGENDA

Tuesday, July 07

13:00 – 13:15, Room: Luxemburg

## Welcome and Introduction

Wolfgang Franz (President of the ZEW)

13:15 – 14:00, Room: Luxemburg

## Keynote Speech:

### *Structural Vector Autoregressions with Markov Switching*

Helmut Lütkepohl (European University Institute Florence)

14:15 – 15:45

## Session A1: Labor Markets 1, Room: Luxemburg

Chair: Philip Jung

### [Worker Flows and Job Flows: A Quantitative Investigation](#)

Shigeru Fujita (Federal Reserve Bank of Philadelphia) and Makoto Nakajima (Federal Reserve Bank of Philadelphia)

### [Even Larger! More \(on\) Puzzling Labor Market Volatilities](#)

Hermann Gartner (Institute for Employment Research), Christian Merkl (Kiel Institute for the World Economy), and Thomas Rothe (Institute for Employment Research)

### [Comparing Labor Market Dynamics: Theory and Evidence](#)

Philip Jung (University of Mannheim) and Moritz Kuhn (University of Mannheim)

## Session A2: Econometric Theory, Room: Straßburg

Chair: Uwe Hassler

### [Using Kalman Filter to Extract and Test for Common Stochastic Trends](#)

Yoosoon Chang (Texas A&M University), Bibo Jiang (Rice University) and Joon Y. Park (Texas A&M University and Sungkyunkwan University)

### [On the Transmission of Memory: Inflation Persistence and the Great Moderation](#)

Christian Conrad (University of Heidelberg), Simone Elmer (KOF Swiss Economic Institute) and Menelaos Karanasos (Brunel University)

[Effect of Temporal Aggregation on Persistence and Integration](#)

Uwe Hassler (Goethe University Frankfurt)

15:45 – 16:15

**Coffee Break**

16:15 – 17:45

**Session B1: Business Cycles 1**, Room: Luxemburg

Chair: Enzo Weber

[Time-Varying Effects of Oil Supply Shocks on the US Economy](#)

Christiane Baumeister (Ghent University) and Gert Peersman (Ghent University)

***Business Cycle Fluctuations in the G7***

Atilim Seymen (ZEW)

[A Simultaneous Unobserved Components Analysis of US Output and the Great Moderation](#)

Enzo Weber (University of Mannheim)

**Session B2: Learning, Expectations, and Forecasting**, Room: Straßburg

Chair: Tsvetomira Tsenova

[Disagreement among Forecasters in G7 Countries](#)

Jiri Slacalek (European Central Bank), Jonas Dovern (Kiel Economics) and Ulrich Fritsche (University Hamburg)

[On Determinacy and Learnability in a New Keynesian Model with Unemployment](#)

Mwael F. Tesfaselassie (Kiel Institute for the World Economy) and Eric Schaling (South African Reserve Bank Chair)

***Are Long-Term Inflation Expectations in the Euro Area Well-Anchored? Evidence from the Professional Forecasters***

Tsvetomira Tsenova (Bulgarian National Bank)

19:00

Conference Dinner

**Wednesday, July 08**

08:30 – 09:15, Room: Luxemburg

**Keynote Speech:**

***Some Fiscal Multiplier Calculus***

Harald Uhlig (University of Chicago)

09:15 – 10:45

**Session A1: Labor Markets 2**, Room: Luxemburg

Chair: Sabine Jokisch

***Unemployment Dynamics and the Cost of Business Cycles***

Sophie Osotimehin (CREST & Paris School of Economics), Jean-Olivier Hairault (Paris School of Economics) and Francois Langot (GAINS & ERMES)

***Optimal Fiscal Policy and Human Capital Risk***

Martin Scheffel (ZEW)

***Dynamic Globalization and its Potentially Alarming Prospects for Low-Wage Workers***

Sabine Jokisch (Ulm University), Hans Fehr (University of Wuerzburg) and Laurence J. Kotlikoff (Boston University)

**Session A2: Monetary Policy**, Room: Straßburg

Chair: Julien Licheron

***Labor Turnover Costs, Workers' Heterogeneity and Optimal Monetary Policy***

Ester Faia (Goethe University Frankfurt), Wolfgang Lechthaler (Kiel Institute for the World Economy) and Christian Merkl (Kiel Institute for the World Economy)

***Monetary Policy and the Financing of Firms***

Fiorella De Fiore (European Central Bank), Pedro Teles (Banco de Portugal) and Oreste Tristani (European Central Bank)

***The ECB Monetary Policy Rule and Inflation Dispersion among EMU Countries***

Julien Licheron (University of Rennes 1 – CREM)

10:45 – 11:15  
**Coffee Break**

11:15 – 12:45  
**Session B1: Business Cycles 2**, Room: Luxemburg  
Chair: Jochen Güntner

[\*Structural Estimation of lump-diffusion Processes in Macroeconomics\*](#)  
Olaf Posch (Aarhus University)

[\*Business Cycle Dynamics and the Two Margins of Labor Adjustment\*](#)  
Francesco Furlanetto (Norges Bank) and Tommy Sveen (Norges Bank)

[\*Monopolistically Competitive Financial Intermediaries in a DSGE Model\*](#)  
Jochen Güntner (University of Magdeburg)

**Session B2: Exchange Rates**, Room: Straßburg  
Chair: Vincenzo Cuciniello

[\*Exchange Rate Policy: EMU, the US, and Asia\*](#)  
Leonor Coutinho (University of Cyprus)

[\*How do Fiscal and Technology Shocks affect Real Exchange Rates? New Evidence for the United States\*](#)  
Almuth Scholl (University of Konstanz), Zeno Enders (University of Bonn) and Gernot J. Müller (Goethe University Frankfurt)

[\*Optimal Exchange Rate Targeting with Large Labor Unions\*](#)  
Vincenzo Cuciniello (EPFL Lausanne) and Luisa Lambertini (EPFL Lausanne)

12:45 – 14:00  
**Lunch**

14:00 – 14:45, Room: Luxemburg  
**Keynote Speech:**

*The Hall-Shimer Puzzle and its Resolution*  
Michael Burda (Humboldt University Berlin)

15:00 – 16:30  
**Session C1: Macroeconomics of Incomplete Markets**, Room: Luxemburg  
Chair: Jochen Mankart

[\*International Financial Shocks in Emerging Markets\*](#)

Almira Buzaushina (University of Bonn) and Michael Brei (University of Bonn)

**[Credit Market Imperfections and International Financial Integration in a Heterogeneous Agent Model](#)**

Christiane Clemens (University of Hamburg) and Maik Heinemann (University of Lüneburg)

**[Personal Bankruptcy Law, Debt Portfolios and Entrepreneurship](#)**

Jochen Mankart (LSE) and Giacomo Rodano (LSE)

**Session C2: Inflation and Prices, Room: Straßburg**

Chair: Rolf Scheufele

**[Forecasting Inflation with Gradual Regime Shifts and Exogenous Information](#)**

Kirstin Hubrich (European Central Bank), Andrés González (Banco de la República) and Timo Teräsvirta (CREATES, Aarhus University)

**[Inflation Persistence and Optimal Positive Long-run Inflation](#)**

Dario Pontiggia (University of Glasgow and University of Milano-Bicocca)

**[Does the Cost Channel Matter for Inflation Dynamics? An Identification Robust Structural Analysis for the US and the Euro Area](#)**

Rolf Scheufele (Halle Institute for Economic Research (IWH))

16:30 – 17:00

**Coffee Break**

17:00 – 18:30

**Session D1: Labor Markets 3, Room: Luxemburg**

Chair: Mathias Trabant

**[Macroeconomic Implications of Downward Wage Rigidity](#)**

Stephan Fahr (European Central Bank) and Mirko Abbritti (Universidad de Navarra)

**[Inflation and Output Dynamics in a Model with Labor Market Search and Capital Accumulation](#)**

Alfred Maußner (University of Augsburg) and Burkhard Heer (Free University of Bolzano-Bozen)

**[A Monetary Business Cycle Model with Labor Market Frictions](#)**

Mathias Trabant (European Central Bank), Lawrence J. Christiano (Northwestern University) and Karl Walentin (Sveriges Riksbank)

**Session D2: Economic Growth, Room: Straßburg**

Chair: Johanna Kühnel

***Growth and Competition in a Model of Human Capital Accumulation and Research***

Dominique Bianco (CPR Henri Tudor and STATEC and University of Nice-Sophia-Antipolis, GREDEG (CNRS))

***How does Skill-biased Technological Change Affect Human Capital Accumulation?***

Tim Eggebrecht (University of Konstanz)

***Innovation, Growth, and the Optimal Enforcement of the Rule of Law***

Johanna Kühnel (University of Heidelberg) and Andreas Irmen (University of Heidelberg)