



CENTRE DE RECERCA
EN ECONOMIA INTERNACIONAL



EUROPEAN CENTRAL BANK

BANCODE ESPAÑA



Macroeconomics and Reality, 25 Years Later

Barcelona, April 1-2, 2005

Program

April 1, 2005

9:30 – 11:30 **Session 1 – Chair: Jaume Ventura (CREI-UPF)**

9:30 – 10:30 Chris Sims (Princeton), “Probability Models for Policy: Where We Go from Here”

10:30 – 11:30 Thomas Sargent, Riccardo Colacito and Tim Cogley (NYU and UC Davis), “Benefits from US Monetary Policy Experimentation in the Days of Samuelson and Solow and Lucas”
Discussants: Ramon Marimon (UPF) and Martin Ellison (Warwick)

11:30 – 12:00 Coffee Break

12:00 – 13:30 **Session 2 – Chair: Robert Eisenbeis (Federal Reserve Bank of Atlanta)**

Michael Andersson, Jesper Lindé, Mattias Villani and Anders Vredin, (Sveriges Riksbank) “Modern Forecasting Models in Action: Improving Macroeconomic Analyses at Central Banks”

Panel discussion “VARs and DSGE in Policy Analysis” with David Altig, (Federal Reserve Bank of Cleveland), Adrian Pagan (ANU), Frank Smets (ECB), and Grant Spencer (Bank of New Zealand)

13:30 – 15:00 Lunch

15:00 – 18:30 **Session 3 – Chair: Beth Ingram (University of Iowa)**

15:00 – 16:00 Albert Marcet (IAE) “Invertibility and the Virtues of Differencing”
Discussants: George Tauchen (Duke), Jim Nason (Federal Reserve Bank of Atlanta)



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- 16:00 – 17:00 James Stock and Mark Watson (Harvard University and Princeton University)
“Implications of Dynamic Factor Models for VAR Analysis”
Discussants: Charlie Evans (Chicago Fed) and Ken West (University of Wisconsin)
- 17:00 – 17:30 Coffee Break
- 17:30 – 18:30 Marco Del Negro and Frank Schorfheide (Atlanta Fed and University of Pennsylvania)
“Monetary Policy Analysis with Potentially Misspecified Models”
Discussants: John Geweke (University of Iowa) and Jesús Fernández-Villaverde (University of Pennsylvania)

21:00 Dinner

April 2, 2005

- 9:00 – 13:30 **Session 4 – Chair: Jordi Galí (CREI-UPF)**
- 9:00 – 10:00 Jon Faust (Federal Reserve Board)
“Is Applied Monetary Policy Analysis Hard?”
Discussants: Mark Watson (Princeton) and Luca Sala (IGIER)
- 10:00 – 11:00 David Altig, Lawrence Christiano, Martin Eichenbaum and Jesper Linde (Cleveland Fed, Northwestern University and Sveriges Riksbank)
“Firm-Specific Capital, Nominal Rigidities and the Business Cycle”
Discussants: Morten Ravn (EUI) and Jordi Galí (CREI-UPF)
- 11:00 – 11:30 Coffee Break
- 11:30 – 12:30 Lars Hansen, John Heaton and Nan Li (University of Chicago and Northwestern University)
“Consumption Strikes Back, Measuring Long Run Risk”
Discussants: Wouter den Haan (London Business School), and Carlo Favero (IGIER)



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- 12:30 – 13:30 Hashem Pesaran, Ron Smith and Vanessa Smith (Cambridge University and Birbeck College)
“What if the UK had joined the Euro in 1999? An Empirical Evaluation using a Global VAR”
Discussants: Marco Del Negro (Atlanta Fed) and Tom Doan (ESTIMA)
- 13:30 – 15:00 Lunch
- 15:00 – 18:30 **Session 5 – Chair: Bob Litterman (Goldman and Sachs)**
- 15:00 – 16:00 Fabio Canova, Luca Gambetti and Evi Pappa (IGIER, UPF and LSE)
“The Structural Dynamics of US Output and Inflation: What Explains the Changes?”
Discussants: Tim Cogley (UC Davis) and Tao Zha (Atlanta Fed)
- 16:00 – 17:00 Harald Uhlig and Almuth Scholl (Humbolt University Berlin)
“New Evidence on the Puzzles? Results from Agnostic Identification on Monetary Policy and Exchange Rates”
Discussants: Mathias Villani (Sveriges Riksbank) and Ralf Wouters (NBB)
- 17:00 – 17:30 Coffee Break
- 17:30 – 18:30 Troy Davig, Eric Leeper and Hess Chung (College of William and Mary and Indiana University)
“Monetary and Fiscal Policy Switching”
Discussants: Giorgio Primicieri (Northwestern University) and Bartosz Mackowiak (Humboldt University)

Organizers:

Fabio Canova (IGIER)
Eric Leeper (Indiana University)
Albert Marcet (IAE)
Harald Uhlig (Humbolt University)
Tao Zha (Federal Reserve of Atlanta)