

Further information on **BMSS 2008** can be obtained  
by visiting our web site at

[www.crei.cat](http://www.crei.cat) or by contacting us at [bmss@crei.cat](mailto:bmss@crei.cat)



CENTRE DE RECERCA  
EN ECONOMIA INTERNACIONAL  
GENERALITAT DE CATALUNYA  
UNIVERSITAT POMPEU FABRA

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*Tel: (34) 93 542 24 98 - Fax: (34) 93 542 18 60*  
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FONS GRÀFIC Legal Register: B-xxxxx-2008

# Barcelona **MACROECONOMICS** Summer School BMSS 2008



CENTRE DE RECERCA  
EN ECONOMIA INTERNACIONAL



# INTRODUCTION

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The tenth edition of CREI's Barcelona Macroeconomics Summer School (BMSS 2008) will be held on the Ciutadella campus of Universitat Pompeu Fabra (UPF) in Barcelona between June 30 and July 11, 2008. BMSS 2008 will offer a variety of courses taught by recognized experts in their fields. The courses will cover recent developments in different areas of macroeconomics, including growth, international finance, monetary and fiscal policy, and macroeconometrics. The courses are aimed at graduate students specializing in macroeconomics or related fields, as well as faculty members or researchers willing to brush up their knowledge of the field and expose themselves to the latest advances in academic research. During the courses, the BMSS faculty will be available to participants for discussion of research ideas and projects.

BMSS 2008 will take place on UPF's main campus, located in downtown Barcelona, at walking distance to the beach. In addition to the intellectual excitement, summer school participants are guaranteed to find in Barcelona cultural, music and sports events that suit every taste and pocket.

BMSS 2008 is organized by the *Center for Research in International Economics* (CREI), a research institute sponsored by the Generalitat de Catalunya and Universitat Pompeu Fabra, in fulfillment of its aim to promote the dissemination of research in macroeconomics and related areas. Further information about CREI can be found at <http://www.crei.cat>

We look forward to meeting you in our Summer School!

# COURSES

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Week 1 June 30 - July 4

## *An Introduction to the New Keynesian Framework and its Monetary Policy Applications*

Instructor: Jordi Galí

### Selected Topics:

- The basic New Keynesian model
- Optimal monetary policy in the basic New Keynesian model
- Sources of policy trade-offs: discretion vs. commitment
- Labor market imperfections and monetary policy

Dates: June 30 - July 4

Time: 09:00 - 11:00 h

Price: 500 Euros

$$C_t = \left( \int_0^1 C_t(i)^{\frac{\epsilon-1}{\epsilon}} di \right)^{\frac{\epsilon}{\epsilon-1}}$$

# *Social Learning and Policy Design*

**Instructor:** Ramon Marimon

## **Selected Topics:**

- Beyond incentives: the role of expectations in macroeconomic policy design
- Controlling inflation with limited knowledge
- Social learning, employment and redistribution
- Avoiding economic recessions
- Learning macroeconomic institutional design from history?

**Dates:** June 30 - July 4

**Time:** 11:30 - 13:30 h

**Price:** 500 Euros



# *Economic Growth and Development I*

**Instructor:** Xavier Sala-i-Martin

## **Selected Topics:**

- The world distribution of income
- Growth, poverty and inequality: the role of globalization
- Neoclassical growth theory: the power of diminishing returns
- The role of incentives
- Government, taxation, the Welfare State and growth
- Ideas and growth: R&D, patents. AIDS, malaria and generics

- The effectiveness of international aid in promoting economic development. Randomized field experiments
- The tragedy of Africa: Diagnostics and priorities

**Dates:** June 30 - July 4

**Time:** 14:30 - 16:30 h

**Price:** 500 Euros

$$\delta = \frac{1 - \sqrt{1 - 4\beta a^2}}{2a\beta} \in (0, 1)$$

# *Economic Growth and Development II*

**Instructor:** Antonio Ciccone

## **Selected Topics:**

- Entry regulation, finance, and economic growth
- Institutions, geography, and trade as deep determinants of economic development
- Income as a determinant of civil conflict and democracy
- Human capital, comparative advantage, and technological catch up
- Learning about growth from growth regressions

**Dates:** June 30 - July 4

**Time:** 17:00 - 19:00 h

**Price:** 500 Euros



Week 2 July 7 - 11

## *Globalization and Financial Markets*

**Instructor:** Jaume Ventura

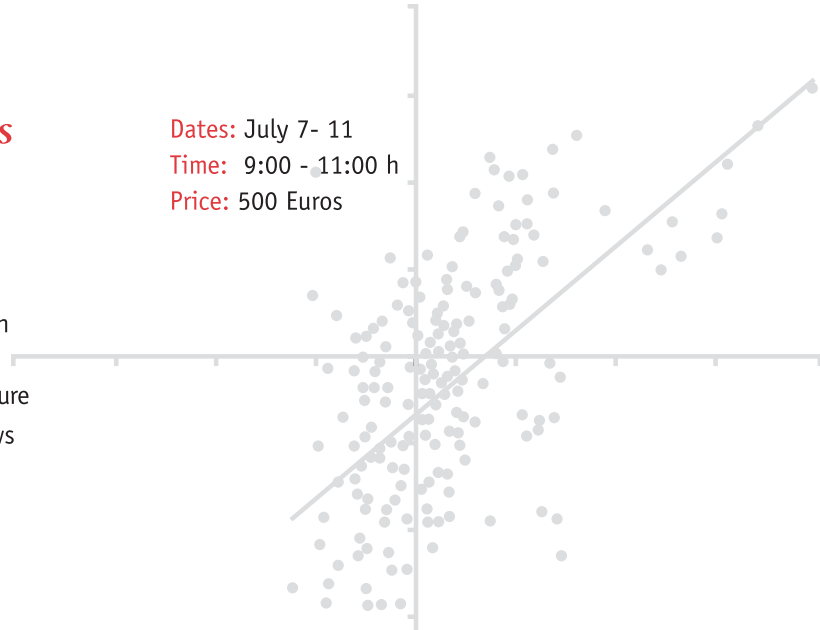
### **Selected Topics:**

- Sovereign risk, default and restructuring
- Application (1): effects of financial integration in emerging markets
- Application (2): the international financial architecture
- Asset bubbles, financial frictions and capital flows
- Application (3): global imbalances
- Application (4): sources and effects of financial market instability

**Dates:** July 7- 11

**Time:** 9:00 - 11:00 h

**Price:** 500 Euros



# Financial Crises, Bubbles and Crashes

**Instructor:** Hans-Joachim Voth

## **Selected Topics:**

- The origins of bubbles and lending booms: past, present and future
- Monetary policy and asset prices: how should central banks react to bubbles?
- Credit linkages, multipliers and real effects
- Contagion: Measurement and impact

- Alternative investment vehicles and the rise of a "shadow banking system"
- Ruling out instability: what role for bank supervision and financial regulators?

**Dates:** July 7- 11

**Time:** 11:30 - 13:30 h

**Price:** 500 Euros

$$\delta = \frac{1 - \sqrt{1 - 4\beta a^2}}{2a\beta} \in (0, 1)$$



# *Fiscal Policy in General Equilibrium Models of the Business Cycle*

**Instructor:** Albert Marcet

## **Selected Topics:**

- Fiscal policy analysis in dynamic models
- Sustainability of debt
- Effects of constraints on fiscal policy (debt limits, balanced budgets ...)
- Debt management
- Stabilization policies

- Interaction with monetary policy
- Commitment v.s. discretion

**Dates:** July 7- 11

**Time:** 14:30 - 16:30 h

**Price:** 500 Euros



# DSGE Models and the Data: Methods and Problems

**Instructor:** Fabio Canova

## Selected Topics:

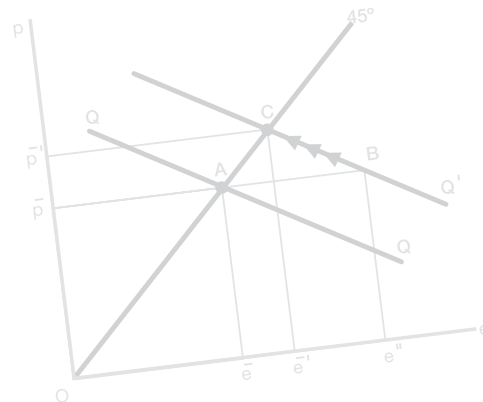
- Solutions: log-linear and second order approximations
- Detrending and extracting cyclical information
- Limited and full information estimation approaches
- Identification
- Model evaluation and policy exercises

**Dates:** July 7- 11

**Time:** Lectures: 17:00 - 19:00 h (10 hours)

Computer demonstrations:  
19:00 - 20:00 h (5 hours)

**Price:** 750 Euros



# BIOGRAPHICAL SKETCHES

**Fabio Canova** earned his PhD in Economics at the University of Minnesota in 1988. He has been an Assistant Professor at



Brown University and Rochester, an Associate Professor at Brown University and the European University Institute, a Professor at the University of Catania, University of Modena, and Universitat Pompeu Fabra and a Research Professor with IGER and ICREA. He has also been Part-Time Professor at the University of Southampton and the London Business School. Besides the above places, he has taught courses at various summer schools, at the Bank of Italy, the ECB, the Bank of England, UK

Treasury and UK Foreign Office, Riksbank, Swiss National Bank, Banco de Argentina, Banco do Brazil, Banco de España, Banco do Portugal, Reserve Bank of South Africa among other places and he has been a consultant with the Bank of England, the IMF, the ECB, Bank of Spain and the Bank of

Italy. He is a Research Fellow at the CEPR, a Research Associate at CREI, a Member of the CEPR Dating Committee, a Member of the Advisory Board of Dynare, the Founder of the Applied Macroeconomic Network (AMeN) and coeditor of the Journal of the European Economic Association. His research interests include quantitative macroeconomics, monetary theory, international business cycles and macroeconometrics.

## Selected publications:

- *Methods for Applied Macroeconomic Research*, Princeton University Press, 2007
- "How Much Structure in Empirical Models" *Palgrave Handbook of Applied Econometrics*, forthcoming.
- "Similarities and Convergence in G7 Cycles" (with M. Ciccarelli and E. Ortega), *Journal of Monetary Economics*, 2007.
- "Price Dispersion in Monetary Union: the Role of Fiscal Shocks" (with E. Pappa), *Economic Journal*, 2007.
- "On the Elusive Costs and the Immaterial Gains of Fiscal Restrictions" (with E. Pappa), *Journal of Public Economics*, 2006.
- "Forecasting and Turning Point Predictions in a Bayesian Panel VAR Model" (with M. Ciccarelli), *Journal of Econometrics*, 2004.

**Antonio Ciccone** earned his PhD in Economics at Stanford University in 1994. Currently he is an ICREA Professor at Universitat Pompeu Fabra. He is a co-editor of *The Economic Journal* and member of the editorial board of the *Review of Economic Studies*. He has taught courses in macroeconomics at the graduate level at UC Berkeley, the Barcelona GSE, the London School of Economics, the London Business School, Stanford University as well as the European Commission and the European Central Bank.

**Selected publications:**

- "Human Capital, the Structure of Production, and Growth" (with E. Papaioannou), *Review of Economics and Statistics*, forthcoming.
- "Red Tape and Delayed Entry" (with E. Papaioannou), *Journal of the European Economic Association (Papers and Proceedings)*, April-May 2007.

- "Identifying Human Capital Externalities: Theory with Applications" (with G. Peri), *Review of Economic Studies*, April 2006.
- "Trade and Productivity" (with F. Alcalá) *Quarterly Journal of Economics*, May 2004.



**Jordi Gali** earned his PhD in Economics at the Massachusetts Institute of Technology (MIT) in 1989. Currently he is



Director and Senior Researcher of the Center for Research in International Economics (CREI) and a Professor at Universitat Pompeu Fabra. He has held academic positions at New York University and Columbia University. He has been a Visiting Professor at MIT. He has served as a co-editor of the *Journal of the European Economic Association*. He is a Research Fellow at the CEPR, a Research Associate at the NBER, and a Fellow of the Econometric Society. He has been consultant to the European Central Bank, the Federal Reserve, the Bank of Spain and other central banks. His research interests include macroeconomics and monetary theory.

**Selected publications:**

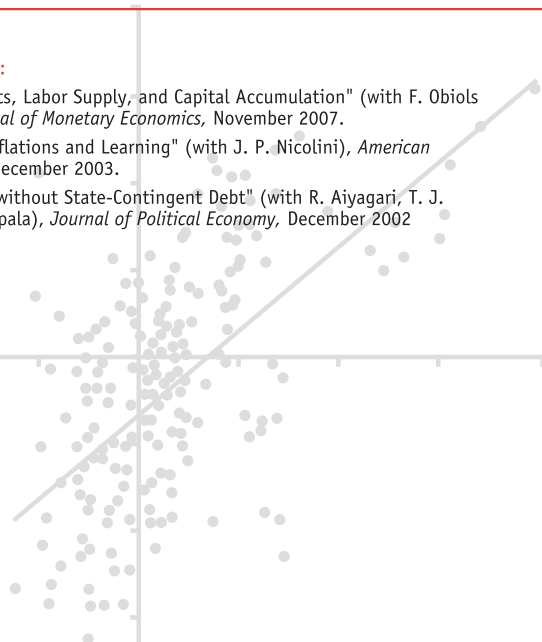
- *Monetary Policy, Inflation and the Business Cycle: An Introduction to the New Keynesian Framework*, Princeton University Press, (Princeton, NJ), 2008.
- "Real Wage Rigidities and the New Keynesian Model," (with O.J. Blanchard), *Journal of Money, Credit and Banking*, supplement to vol. 39, no. 1, 2007.
- "Monetary Policy and Exchange Rate Volatility in a Small Open Economy," (with T. Monacelli), *Review of Economic Studies*, July 2005.
- "Monetary Policy Rules and Macroeconomic Stability: Evidence and Some Theory", (with R. Clarida and M. Gertler), *Quarterly Journal of Economics*, January 2000.
- "The Science of Monetary Policy: A New Keynesian Perspective", (with R. Clarida and M. Gertler), *Journal of Economic Literature*, December 1999.

**Albert Marcet** graduated in Economics at the Universitat Autònoma de Barcelona (1982) and earned his PhD in Economics at the University of Minnesota in 1987. He is Research Professor at the Institut d'Anàlisi Econòmica, Barcelona. He has also been Professor at Universitat Pompeu Fabra (1990-2003) and Carnegie-Mellon University, Pittsburgh (1986-1992) and has been a visitor at the ECB, London Business School, CEMFI (Madrid), the Federal Reserve Bank of Minneapolis and the Universitat Autònoma de Barcelona. His main areas of research are macroeconomics, fiscal policy, solution methods of dynamic models, financial economics and learning models.



**Selected publications:**

- "Incomplete Markets, Labor Supply, and Capital Accumulation" (with F. Obiols and P. Weil), *Journal of Monetary Economics*, November 2007.
- "Recurrent Hyperinflations and Learning" (with J. P. Nicolini), *American Economic Review*, December 2003.
- "Optimal Taxation without State-Contingent Debt" (with R. Aiyagari, T. J. Sargent and J. Seppala), *Journal of Political Economy*, December 2002



**Ramon Marimon** earned his PhD in Economics at Northwestern University in 1984. Full Professor at the Universitat Pompeu Fabra (since 1990) and at the European University Institute (since 2007), where he is Director of the Max Weber Postdoctoral Programme, was previously Professor at the University of Minnesota and has been Visiting Professor at Stanford University and the Federal Reserve Bank of Minneapolis, among other places. Research fellow of the NBER and of the CEPR, he has been co-editor of the *Review of Economic Dynamics*. He is also Fellow of the European Economic Association and of the Spanish Economic Association. His research interests include macroeconomics, monetary theory, labor theory, political economy, dynamic contract theory, learning theory, and science and innovation policy.

**Selected publications:**

- "Nominal Debt as a Burden on Monetary Policy" (with J. Díaz-Giménez, G. Giovannetti and P. Teles), *Review of Economic Dynamics*, 2008.
- "Aggregate Consequences of Limited Contract Enforceability" (with T. Cooley and V. Quadrini), *Journal of Political Economy*, 2004.
- "Inside-Outside Money Competition" (with J.P. Nicolini and P. Teles), *Journal of Monetary Economics*, 2003.
- "Convergence of Monetary Inflation Models with Heterogeneous Learning Rules," (with G. Evans and S. Honkapohja), *Macroeconomic Dynamics*, 2001.
- "Employment and Distributional Effects of Restricting Working Time" (with F. Zilibotti), *European Economic Review*, 2000.

$$C_t = \left( \int_0^1 C_t(i)^{\frac{\epsilon-1}{\epsilon}} di \right)^{\frac{\epsilon}{\epsilon-1}}$$



## *Xavier Sala-i-Martin*

earned his PhD in Economics at Harvard University in 1990. Currently he is Professor in the Department of Economics at Columbia University, and a Visiting Professor at UPF. He has been an Associate Professor at the Department of Economics at Yale University and Visiting Professor at Harvard University. He has also taught at Universitat Pompeu Fabra, Harvard University, New York University, Yale University and the International Monetary Fund, among other places. He is senior economic adviser to the World Economic Forum (WEF), editor of the Global Competitiveness Report of the WEF, Research Associate at the NBER and has been consultant for the World Bank and the International Monetary Fund. In 2006 he was the



President of FC Barcelona and he is now the President of its Economic Commission. His research interests include economic growth, macroeconomics, public finance and social security, health and population economics, and monetary economics.

### *Selected publications:*

- "The World Distribution of Income: Falling Poverty and Convergence, Period", *Quarterly Journal of Economics*, May 2006.
- "Determinants of Long-Term Growth: A Bayesian Average of Classical Estimates (BACE) Approach" (with G. Doppelhofer and R. Miller), *American Economic Review*, September 2004.
- "The Economic Tragedy of the XXth Century: Growth in Africa" (with E.V. Artadi), in *African Competitiveness Report of the World Economic Forum*, September 2003.
- *Economic Growth* (with R. Barro), 2nd Edition MIT Press, Cambridge, MA, 2003.
- "Health Investment Complementarities under Competing Risks," (with W. Dow and T. Philipson), *American Economic Review*, December 1999.



**Jaume Ventura** earned his PhD in Economics at Harvard University in 1995. Currently he is a Senior Researcher at CREI. Previously, he has held academic positions at MIT and the University of Chicago. He is co-director of the International Macroeconomics Programme of the CEPR and has served as editor of *The Economic Journal*. He is also a Faculty Research Fellow at the NBER, and has served as a consultant to the World Bank and the Inter-American Development Bank. His research interests include international economics and macroeconomics.



**Selected publications:**

- "Comparative Advantage and the Cross-section of Business Cycles" (with A. Kraay), *Journal of the European Economic Association*, December 2007.
- "Country Portfolios" (with A. Kraay, N. Loayza and L. Servén) *Journal of the European Economic Association*, June 2005.
- "Current Accounts in the Long and Short Run" (with A. Kraay), *NBER Macroeconomics Annual 2002*, July 2003.
- "Trade Integration and Risk Sharing" (with A. Kraay), *European Economic Review*, June 2002.
- "A Portfolio View of the Current Account Deficit", *Brookings Papers*, July 2001.
- "Current Accounts in Debtor and Creditor Countries" (with A. Kraay), *Quarterly Journal of Economics*, November 2000.

$$r_t = \rho + \phi_\pi \pi_t + \phi_x x_t$$

**Hans-Joachim Voth** earned his PhD in Economics at Oxford University in 1996. Currently he is an ICREA Research Professor of Economics and Economic History at UPF. He is a CEPR Research Fellow, and a member of the editorial board of the *Journal of Economic History*. He has won the Gino Luzzatto Prize for the best thesis in European economic history, the Alexander Gershenkron Prize for best thesis on non-US topics, and a Leverhulme Prize for outstanding researchers under the age of 35. His work has appeared in the *Quarterly Journal of Economics*, *American Economic Review*, *the European Economic Review*, *the Journal of Economic History*, *Explorations in Economic History*, and in a book with Oxford University Press. He has held visiting appointments at Stanford, MIT, Princeton and Stern Business School (NYU). His research interests are in financial and economic history and macroeconomics.

**Selected publications:**

- "Betting on Hitler: The Value of Political Connections in Nazi Germany" (with T. Ferguson), *Quarterly Journal of Economics*, February 2008.
- "Interest Rate Restrictions in a Natural Experiment: Loan Allocation and the Change in the Usury Laws in 1714" (with P. Temin), *Economic Journal*, May 2008.
- "Credit Rationing and Crowding Out during the Industrial Revolution: Evidence from Hoare's Bank, 1702-1862" (with P. Temin), *Explorations in Economic History*, July 2005.
- "Riding the South Sea Bubble" (with P. Temin), *American Economic Review*, December 2004.
- "With a Bang, Not a Whimper: Pricking Germany's 'Stockmarket Bubble' in 1927 and the Slide into Depression", *Journal of Economic History*, July 2003.



$$\pi_t = \beta E_t\{\pi_{t+1}\} + \kappa x_t$$

# Barcelona

# MACROECONOMICS

## Summer School BMSS 2008

## REGISTRATION FORM

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Name \_\_\_\_\_

Affiliation \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

e-mail \_\_\_\_\_

I would like to register for the following courses:

- ☐ *An Introduction to the New Keynesian Framework and its Monetary Policy Applications* / June 30- July 4
- ☐ *Social Learning and Policy Design* / June 30- July 4
- ☐ *Economic Growth and Development (I)* / June 30- July 4
- ☐ *Economic Growth and Development (II)* / June 30- July 4
- ☐ *Globalization and Financial Markets* / July 7-11
- ☐ *Financial Crisis, Bubbles and Crashes* / July 7-11
- ☐ *Fiscal Policy in General Equilibrium Models of the Business Cycle* / July 7-11
- ☐ *DSGE Models and the Data: Methods and Problems* / July 7-11

Total price: Euros \_\_\_\_\_

Indicate desired form of payment:

1. ☐ **Credit card**

☐ VISA

☐ MASTERCARD

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Expiration date \_\_\_\_\_

Credit card number \_\_\_\_\_

Credit card holder \_\_\_\_\_

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(note: transfer expenses will be charged to your account)

*Bank:* BBVA *Branch:* PL. Catalunya, 5 2a Planta - 08002 Barcelona

*Account:* 0182 6035 41 0201507982

*Swift code:* BBVAESMMXXX *Iban Code:* ES78 0182 6035 4102 0150 7982

3. ☐ **Check in Euros enclosed** (payable to CREI)

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Ramon Trias Fargas, 25-27 - 08005 Barcelona (Spain)

Tel: (34) 93 542 13 88 - Fax: (34) 93 542 28 26

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