



Barcelona **MACROECONOMICS** *Summer School*

BMSS 2009



CREi 

Centre de Recerca
en Economia Internacional

INTRODUCTION

The eleventh edition of CREI's Barcelona Macroeconomics Summer School (BMSS 2009) will be held on the Ciutadella campus of Universitat Pompeu Fabra (UPF) in Barcelona between June 22 and July 10, 2009. BMSS 2009 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 2009 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 2009 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

Week 1 June 22 - June 26

DSGE Models: Methods and Problems

Instructor: Fabio Canova

Topics covered:

- Solving DSGE models: first and second order approximations
- Calibration and model evaluation
- Maximum likelihood estimation of DSGE models
- Bayesian estimation of DSGE models
- Identification and data mismatch problems

Dates: June 22 - 26

Time: Lectures: 09:30 - 11:30 h (10 hours)

Computer demonstrations:
12:00 - 13:00 h (5 hours)

Price: 750 Euros

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

Week 2 June 29 - July 3

Financial Crises

Instructor: Hans-Joachim Voth

Selected Topics:

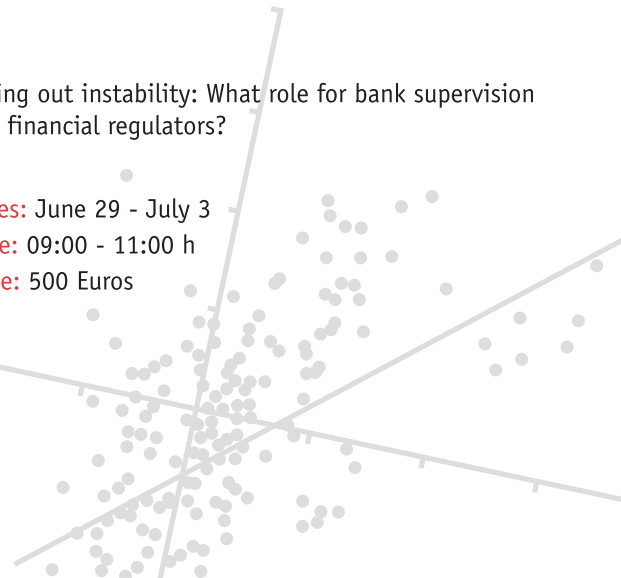
- The origins of bubbles and lending booms: past, present and future
- Monetary policy and asset prices: How should central banks react to bubbles?
- The Great Depression as a credit boom gone wrong
- Credit linkages, multipliers and real effects
- Risk shifting and incentive misalignment in compensation

- Ruling out instability: What role for bank supervision and financial regulators?

Dates: June 29 - July 3

Time: 09:00 - 11:00 h

Price: 500 Euros



Economic Growth and Development

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 effectiveness of international aid in promoting economic development. Randomized field experiments
- The role of incentives
- Government, taxation, the Welfare State and growth

- Ideas and growth: R&D, patents. AIDS, malaria and generics
- Africa: Successes, failures, diagnostics and priorities

Dates: June 29 - July 3

Time: 11:30 - 13:30 h

Price: 500 Euros



Labor Market Frictions, Inflation and Monetary Policy

Instructor: Jordi Galí

Dates: June 29 - July 3

Time: 15:00 - 17:00 h

Price: 500 Euros

Selected Topics:

- The New Keynesian model with sticky prices and wages
- Wage inflation and unemployment: theory and evidence
- Real wage rigidities and monetary policy trade-offs
- Labor market frictions, unemployment, and monetary policy

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

Week 3 July 6 - July 10

Asset Bubbles and Economic Policy

Instructor: Jaume Ventura

Selected Topics:

- A macroeconomic framework to study the origins and effects of asset bubbles
- Application (1): economic growth and policy reforms
- Application (2): fiscal policy and global imbalances
- Application (3): monetary policy and instability in financial markets

Dates: July 6 - July 10

Time: 9:00 - 11:00 h

Price: 500 Euros



Macroeconomic Depressions

Instructor: Ramon Marimon

Selected Topics:

- The real business cycles approach to economic depressions
- Liquidity and lending in business cycles and depressions
- The (Neo) Keynesian approach to economic depressions
- The role of expectations and credibility in financial crisis
- Beliefs, social trust and self-confirming equilibrium

- Governments versus markets: macroeconomic policy design in face of depressions

Dates: July 6 - July 10

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 under Uncertainty

Instructor: Albert Marcet

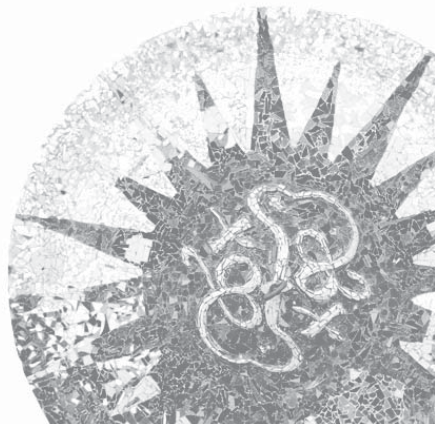
Selected Topics:

- 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 versus discretion

Dates: July 6 - 10

Time: 15:00 - 17:00 h

Price: 500 Euros



BIOGRAPHICAL SKETCHES

Fabio Canova earned his PhD in Economics at the University of Minnesota in 1988. He held academic positions at Brown University, Rochester University, the European University Institute, the University of Catania, the University of Modena, Universitat Pompeu Fabra and University of Bern. He has been a Research Professor at IGIER-Bocconi and Part-Time Professor at the University of Southampton and the London Business School. Currently he is ICREA Research Professor of Economics at UPF. 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, Bundesbank, Swiss National Bank, Banco de Argentina, Banco do Brazil, Bank of Spain, Banco do Portugal, Reserve Bank of South Africa, Banco de Peru among other places and he has been a consultant to the Bank of England, the IMF, the ECB, the 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 Scientific Committee of the Euro Area Business Cycle Network (EABCN), a Member of the Advisory Board of Dynare, Program Director of the

Budapest School for Central Banking Studies, Founder of the Applied Macroeconomic Network (AMeN) and Co-editor of the *Journal of the European Economic Association*. His research interests include quantitative macroeconomics, monetary theory, fiscal policy, international business cycles and macroeconometrics.



Recent publications:

- “Estimating Multicountry VARs”, (with M. Ciccarelli), forthcoming, *International Economic Review*.
- “Back to Square One: Identification Issues in DSGE Models”, (with L. Sala), forthcoming, *Journal of Monetary Economics*.
- “How much Structure in Empirical Models”, *Palgrave Handbook of Applied Econometrics*, 2008.
- *Methods for Applied Macroeconomic Research*, Princeton University Press, 2007.
- “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.

Jordi Galí 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*, and is currently an associate editor of the *American Economic Journal-Macroeconomics* and the *International Journal of Central Banking*. 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. He was co-recipient of the 2005 Yrjö Janssen Award in Economics. 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”, *Journal of Economic Literature*, December 1999.



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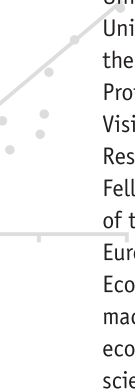
Albert Marcet graduated in Economics at the Universitat Autònoma de Barcelona (1982) and earned his PhD in Economics at the University of Minnesota (1987). He is Research Professor at the Institut d'Anàlisi Econòmica, Barcelona. He has also been Professor at Universitat Pompeu Fabra (1990-2003) and Carnegie-Mellon 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 of 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 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 at the NBER and at 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. Gionannetti 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.



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 Universitat Pompeu Fabra. 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 UPF, 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), author of the Global Competitiveness Report of the WEF, Research Associate at the NBER and has been consultant to 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 Inequality and Convergence, Period”, *Quarterly Journal of Economics*, May 2006.
- “Determinants of Long-Term Growth: A Bayesian Average of Classical Estimates (Bace) Approach”, (with G. Doppelhoffer 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 of the Center for Research in International Economics (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 Research Associate at the NBER, and has served as a consultant to the IMF, 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 and 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 ICREA Research Professor of Economics and Economic History at Universitat Pompeu Fabra (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). He has acted as an advisor to the German Finance Ministry's Working Group on Financial Market Reform; to the CEO of the German Stock Exchange; and to the German Trade Unions Movement (DGB). 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*, May 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.

REGISTRATION FORM

Name

ID/ VAT Number

Affiliation

Address

e-mail

I would like to register for the following courses:

☐ *DSGE Models: Methods and Problems* / June 22 - June 26

☐ *Financial Crises* / June 29 - July 3

☐ *Economic Growth and Development* / June 29 - July 3

☐ *Labor Market Frictions, Inflation and Monetary Policy* /
June 29 - July 3

☐ *Asset Bubbles and Economic Policy* / July 6 - 10

☐ *Macroeconomic Depressions* / July 6 - 10

☐ *Fiscal Policy under Uncertainty* / July 6 - 10

Total price: Euros

Indicate desired form of payment:

1. ☐ **Credit card**

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☐ MASTERCARD

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Expiration date

Credit card number

Credit card holder

2. ☐ **Bank Transfer:**

FAX a copy of the bank transfer order to # (34) 935 42 28 26
(note: transfer expenses will be charged to your account)

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

Account: 0182 6035 41 0201507982

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by fax (+34 93 542 28 26), or by regular mail to:

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REGISTRATION WILL BE CONFIRMED ONLY WHEN PAYMENT IS RECEIVED

For information on accommodation facilities, please visit our website:

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Further information on **B^{MSS} 2009** can be obtained
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