

INTRODUCTION

The thirteenth edition of CRFI's Barcelona Macroeconomics Summer School (BMSS 2011) will be held on the Ciutadella campus of Universitat Pompeu Fabra (UPF) in Barcelona between June 27 and July 8, 2011. BMSS 2011 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 policy, and econometric methods. The courses are aimed at graduate students, 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 2011 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 2011 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 seeing you in our Summer School!

COURSES

Week 1 June 27 - July 1

Asset Bubbles and Economic Policy

Instructor: Jaume Ventura

Selected Topics:

- Review of empirical research on asset prices and interest rates
- A macroeconomic framework to study the effects of asset hubbles

- The welfare effects of different types of bubbles
- Application (1): international propagation of financial shocks and global imbalances
- Application (2): credit booms, credit busts, and the current crisis

Dates: June 27 - July 1

Time: 09:00 - 11:00 h (10 hours)

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 27 - July 1

Time: 11:30 - 13:30 h

An Introduction to the New Keynesian Framework with Applications to Monetary Policy

Instructor: Jordi Galí

Selected Topics:

- A simple framework for monetary policy analysis
- Optimal monetary policy
- Simple monetary policy rules
- Inflation dynamics
- Extensions and recent developments

Dates: June 27 - July 1

Time: 14:30 - 16:30 h

Price: 600 Euros

(Students: 400 Euros)



The Political Economy of Money and Credit: Understanding the Policy Responses to Financial Crises

Instructor: Ramon Marimon

Selected Topics:

- Linking fiscal and monetary policy: the credibility problem
- Inside and outside money: competition, substitution and contagion
- Financing households, firm and governments: debt versus long-term contracts

- Linking money, public and private credit in a monetary union
- The political economy of the euro with special attention to the 2010-euro crisis

Dates: June 27 - July 1

Time: 17:00 - 19:00 h

Week 2 July 4 - July 8

Financial Crises and the Economics of Macroeconomic Depressions

Instructor: Hans-Joachim Voth

Selected Topics:

- The origins of bubbles and lending booms: past, present and future
- Depressions and credit booms gone wrong: credit linkages, multipliers and real effects
- Monetary policy and asset prices: how should central banks react to bubbles?

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

Dates: July 4 - July 8

Time: 09:00 - 11:00 h

The Macroeconomic Effects of Globalization

Instructor: Gino Gancia

Selected Topics:

- Anatomy of the new globalization boom and challenges to the conventional wisdom: ICT, offshoring, the rise of China and global imbalances
- Offshoring, migration and the wealth of nations: a Ricardian approach

- Understanding international capital flows in the presence of financial frictions
- Which workers gain from globalization? Trade, offshoring and wage inequality
- Sustaining growth: innovation and imitation in the global economy

Dates: July 4 - July 8
Time: 11:30 - 13:30 h

Firms in International Trade

Instructor: Pol Antràs

Selected Topics:

- Firms and exporting: evidence
- Firms and exporting: theory
- Aggregate implications of firm-based models of trade
- Firms and the international fragmentation of production

- Contractual frictions in the organization of production
- Implications for policy

Dates: July 4 - July 8

Time: 14:30 - 16:30 h

Solution and Estimation of DSGE Models

Instructor: Fabio Canova

Selected Topics:

- Solution methods
- Limited information estimation (GMM and impulse response matching)
- Maximum likelihood estimation
- Bayesian estimation
- Problems and solutions

Dates: July 4 - July 8

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

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

Price: 850 Euros (Students: 550 Euros)



BIOGRAPHICAL SKETCHES

Pol Antràs earned his PhD in Economics at the Massachusetts Institute of Technology (MIT) in 2003. Currently he is a Research Fellow at the CEPR, a Research Associate at the NBER and a Professor of Economics at Harvard University. During 2007- 2009, he directed the NBER Working Group on International Trade and Organizations. A native of Barcelona, he earned his BA and his MSc. in Economics from Universitat Pompeu Fabra. In 2009, he received the Fundación Banco Herrero Prize, which is awarded annually to a Spanish social scientist under age 40. He is also a Member of the Editorial Board of the Quarterly Journal of Economics, the American Economic Review, the Journal of the European Economic Association, and the Journal of International Economics, among other journals. His research interests include international trade, applied contract theory and macroeconomics.

- "Intermediated Trade", (with A. Costinot), Quarterly Journal of Economics, forthcoming.
- "Trade and Capital Flows: A Financial Frictions Perspective", (with R. Caballero), Journal of Political Economy, August 2009.
- "Offshoring in a Knowledge Economy", (with L. Garicano and E. Rossi-Hansberg), Quarterly Journal of Economics, February 2006.
- "Global Sourcing", (with E. Helpman), Journal of Political Economy, June 2004.
- "Firms, Contracts, and Trade Structure", Quarterly Journal of Economics, November 2003.

Fabio Canova earned his PhD in Economics at the University of Minnesota in 1988. He has held academic positions at Brown University, Rochester University, the European University Institute and University of Bern. He has been a Research Professor at IGIFR-Bocconi and Part-Time Professor at the London Business School. He is currently holding a Research Professorship with ICREA. He has taught courses at various summer schools, at numerous Central Banks, at the IMF and the European Community and he has been a consultant at 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

and ESOBA, Program Director of the Budapest School for Central Banking Studies, 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.

- "Multiple Filtering Devices for the Estimation of Cyclical DSGE Models", (with F. Ferroni), Quantitative Economics, March 2011.
- "Do Expectations Matter? The Great Moderation Revisited", (with L. Gambetti), American Economic Journal: Macroeconomics, July 2010.
- "Back to Square One: Identification Issues in DSGE Models", (with L. Sala), Journal of Monetary Economics, April 2009.
- "Estimating Multicountry VARs", (with M. Ciccarelli), International Economic Review, May 2009.
- Methods for Applied Macroeconomic Research, Princeton University Press, (Princeton, NJ), 2007.
- "Similarities and Convergence in G7 Cycles", (with M. Ciccarelli and E. Ortega), Journal of Monetary Economics, January 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 on International Economics (CREI), a Professor at Universitat Pompeu Fabra and a Research Professor at the Barcelona GSE. 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 President-elect 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. He was co-recipient of the 2005 Yrjo Jansson Award in Economics. His research interests include macroeconomics and monetary theory.

- 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, February 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.



Gino Gancia earned his PhD in Economics at the Institute for International Economic Studies (Stockholm University) in 2003. Currently, he is Senior Researcher of the Center for Research on International Economics (CREI) and Affiliated Professor at the Barcelona GSE. He is also Research Fellow at the CEPR and Research Associate at IEW, University of Zurich. He is Member of the Editorial Board of the Review of Economic Studies and Associate Editor of the Journal of the European Economic Association. He has been a Visiting Scholar at MIT during 2001-2003 and has been awarded the 2009 Excellence Award in Global Economic Affairs (Kiel Institute for the World Economy) and the 2004 Young Economist Award (European Economic Association). His research interests include international trade theory, economic growth and macroeconomics.

- "Competing Engines of Growth: Innovation and Standardization", (with D. Acemoglu and F. Zilibotti), Journal of Economic Theory, forthcoming.
- "Technological Change and the Wealth of Nations", (with F. Zilibotti), Annual Review of Economics, October 2009.
- "Openness, Government Size and the Terms of Trade", (with P. Epifani), Review of Economic Studies, March 2009.
- "The Skill Bias of World Trade", (with P. Epifani), Economic Journal, June 2008.
- "North-South Trade and Directed Technical Change", (with A. Bonfiglioli), Journal of International Economics, March 2008.
- "Increasing Returns, Imperfect Competition and Factor Prices", Review of Economics and Statistics, November 2006.



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 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. He has just been appointed Chairman of the Barcelona GSE. His research interests include macroeconomics, monetary theory, labor theory, dynamic contract theory and learning theory.



- "Competition, Human Capital and Income Inequality with Limited Commitment", (with V. Quadrini), Journal of Economic Theory, January 2011.
- "Nominal Debt as a Burden on Monetary Policy", (with J. Díaz-Giménez, G. Giovannetti and P. Teles), Review of Economic Dynamics, July 2008.
- "Aggregate Consequences of Limited Contract Enforceability", (with T. Cooley and V. Quadrini), Journal of Political Economy, August 2004.
- "Inside-Outside Money Competition", (with J.P.Nicolini and P.Teles), Journal
 of Monetary Economics, November 2003.
- "Convergence of Monetary Inflation Models with Heterogeneous Learning Rules", (with G. Evans and S. Honkapohja), Macroeconomic Dynamics, March 2001.

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), author 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. His research interests include economic growth, macroeconomics, public finance and social security, health and population economics, and monetary economics.

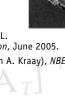
- "The World Distribution of Income: Falling Inequality and Convergence, Period", Quarterly Journal of Economics, May 2006.
- "Determinants of Long-Term Growth: A Bayesian Average of Classical Estimates (Bace) Approach", (with G. Doppelhoffer and R. Miller), American Economic Review, September 2004.
- "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.



Taume Ventura earned his PhD in Economics at Harvard University in 1995. Currently he is a Senior Researcher at the Center for Research on 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:

- "Theoretical Notes on Bubbles and the Currrent Crisis". (with A. Martin), IMF Economic Review, forthcoming.
- "Globalization and Risk Sharing", (with F. Broner), Review of Economic Studies, forthcoming.
- "Sovereign Risk and Secondary Markets", (with F. Broner and A. Martin), American Economic Review, September 2010.
- "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





 $|X_t| = \omega_a [I - \rho_a A_T]^{-1} B_T \Delta a_t + \omega_g [I - \rho_a A_T]^{-1}$

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 UPF. He is a CEPR Research Fellow, and a member of the editorial board of the *Journal of Economic History*. He is a Research Associate at CREI. 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 Exhange; and to the German Trade Unions Movement (DGB). His research interests are in financial and economic history and macroeconomics.

- "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.

Further information on BMSS **2011** can be obtained by visiting our web site at

www.crei.cat or by contacting us at bmss@crei.cat



Centre de Recerca en Economia Internacional

Ramon Trias Fargas, 25-27 - E-08005 Barcelona Tel. (34) 93 542 13 88 - Fax: (34) 93 542 28 26 crei@crei.cat - www.crei.cat