Workshop on
Macroeconomics, Financial Frictions and Asset Prices
Pavia, Monday-Tuesday 7-8 October 2013
Venue: Faculty of Economics, Via San Felice 5, Pavia

Monday 7 October

8:45-9:15 Registration (Room: San Felice Church)

9:15-9:30 Welcome Address (Room: San Felice Church)
Prof. Franco Bruni (Bocconi University) - Chairman of the Scientific Committee of
UniCredit & Universities Foundation

9:30 - 11.00
Parallel Session 1 – Room: San Felice Church

Zero Lower Bound

Credit Spreads and the Zero Bound on Interest Rates
Isabel Correia (Banco de Portugal, Universidade Catolica Portuguesa), Fiorella De Fiore (ECB),
Pedro Teles (Banco de Portugal, Universidade Catolica Portuguesa), and Oreste Tristani (ECB)

Targeting Nominal GDP or Prices: Expectation Dynamics and the Interest Rate
Lower Bound
Seppo Honkapohja (Bank of Finland), Kaushik Mitra (University of Saint Andrews)

Parallel Session 2 – Council Room (1st Floor)
Banking

Large banks and monetary policy
Vincenzo Cuciniello (Bank of Italy), Federico M. Signoretti (Bank of Italy)
Open Market Operations, Interbank Market and Over-collateralization
**Giuseppe Ferrero** (Bank of Italy), Michele Loberto (Bank of Italy), Marcello Miccoli (Bank of Italy)

11:00 - 11:30 Coffee break

11:30 - 12:45 **Keynote Speaker: Frank Smets** (ECB and KU Leuven)

Booms and systemic bank crises
with Frederic Boissay (ECB), Fabrice Collard (University of Bern)

12:45 - 14:00 Lunch

14:00 - 15:30

**Parallel Session 1 - Room: San Felice Church**

House Prices

**Household leveraging and deleveraging**
Alejandro Justiniano (Federal Reserve Bank of Chicago), **Giorgio E. Primiceri** (Northwestern University), Andrea Tambalotti (FRBNY)

Financial Intermediation, House Prices, and the Distributive Effects of the U:S: Great Recession
**Dominik Menno** (EUI and RWTH Aachen University), **Tommaso Oliviero** (EUI)

**Parallel Session 2 - Council Room (1st Floor)**

Financial Frictions and Firms Dynamics

**Firm Entry and Employment Dynamics in the Great Recession**
**Michael Siemer** (Boston University)

**Financial Shocks, Endogenous Firms Dynamics and Banking**
Carla La Croce (University of Pavia), **Lorenza Rossi** (University of Pavia)

15:30 - 16:00 Coffee break

16:00 – 17:30

**Parallel Session 1 - Room: San Felice Church**

DSGE and binding constraints

**Changing Credit Limits, Changing Business Cycles**
**Henrik Jensen** (University of Copenhagen), Soren Hove Ravn (Danmarks Nationalbank), Emiliano Santoro (Catholic University of Milan and University of Copenhagen)

**Fiscal Multipliers in a Nonlinear World**
**Jesper Linde** (Federal Reserve Board), Mathias Trabandt (Federal Reserve Board)
Parallel Session 2 - Council Room (1st Floor)

Sovereign Debt in EU

Eurobonds
Juan Carlos Hatchondo (Indiana University and Fed of Richmond), Leonardo Martinez (IMF), Yasin Kursat Onder (Central Bank of Turkey)

Macroeconomic effects of sovereign restructuring in a monetary union: a model-based approach
Lorenzo Forni (IMF and University of Padova), Massimiliano Pisani (Bank of Italy)

20:15 Conference dinner

Tuesday 8 October

9:30 – 11:00
Parallel Session 1 - Room: San Felice Church
Financial Frictions and Risk-taking

Optimal Monetary and Prudential Policies
Fabrice Collard (University of Bern), Harris Dellas (University of Bern), Behzad Diba (Georgetown University), Olivier Loisel (CREST, ENSAE)

Risky Investments with Limited Commitment
Thomas Cooley (New York University), Ramon Marimon (EUI and Universitat Pompeu Fabra), Vincenzo Quadrini (University of Southern California)

Parallel Session 2 - Council Room (1st Floor)

International

House Price Booms, Current Account Deficits, and Low Interest Rates
Andrea Ferrero (University of Oxford)

Optimal Exchange Rate Policy Under Collateral Constraints and Wage Rigidity
Pablo Ottonello (Columbia University)

11:00 - 11:30 Coffee break

11:30 - 12:45 Keynote Speaker: Jordi Galí (CREI, Universitat Pompeu Fabra)
Understanding the Gains from Wage Flexibility: The Exchange Rate Connection
With Tommaso Monacelli (Bocconi University)

12:45 - 14:00 Lunch
14:00 - 15:30
Parallel Session 1 - Room: San Felice Church
Empirics

Financial Stress and Economic Dynamics: the transmission of crises
Kirstin Hubrich (ECB), Robert J. Tetlow (Federal Reserve Board)

The Macroeconomic Implications of Financial and Uncertainty Shocks
Dario Caldara (Federal Reserve Board), Cristina Fuentes-Albero (Rutgers University), Simon Gilchrist (Boston University), Egon Zakrajsek (Federal Reserve Board)

Parallel Session 2 - Council Room (1st Floor)
Financial Frictions and Unemployment

Financial Shocks and Labor Market Fluctuations
Francesco Zanetti (University of Oxford)

Labor and Finance: Mortensen and Pissarides meet Holmstrom and Tirole
Tito Boeri (Bocconi University), Pietro Garibaldi (University of Torino, Collegio Carlo Alberto), Espen R. Moen (Norwegian School of Management)

15:30 - 16:00 Coffee break

16:00 – 17:30
Parallel Session 1 - Room: San Felice Church
Structural Policies for EU and US

Make it in America? Manufacturing Subsidies and Job Creation in the Great Recession
Alessandro Galesi (CEMFI), Claudio Michelacci (CEMFI)

Can Structural Reforms Help Europe?
Gauti Eggertsson (Brown University), Andrea Ferrero (University of Oxford), Andrea Raffo (Federal Reserve Board)

Parallel Session 2 - Council Room (1st Floor)
Sovereign Debt and Banking

Debt Habits, Private Lending and Sovereign Risk
Roberto Pancrazi (University of Warwick), Hernan D. Seoane (Universidad Carlos III de Madrid), Marija Vukotic (University of Warwick)

***late change*** Financial Markets, Corporate Governance and Growth
Maurizio Iacopetta (SKEMA), Pietro F. Peretto (Duke University)