

## Sixth Dynare Conference

June 3-4, 2010

Gustavelund, Tuusula, Finland

Organized by

Bank of Finland, DSGE-net and Dynare Project at CEPREMAP

### Wednesday, June 2<sup>nd</sup>

Get-together and buffet dinner, starting at 18:00

18:00–19:00 Dynare Questions and Answers by Houtan Bastani, Michel Juillard, Sébastien Villemot

### Thursday, June 3<sup>rd</sup>

8:45 Opening

9:00–11:00 **Parallel Sessions A:**

#### Session: A1 Fiscal policy

1. **Cristina Badarau & Grégory Leveuge** “[Macroeconomic policies to mitigate the financial heterogeneity in the euro area.](#)” *Discussant: Martin Kliem.*
2. **Martin Kliem** “[Implementable Fiscal Policy Rules.](#)” *Discussant: Paul McNelis.*
3. **Massimiliano Pisani & Lorenzo Forni** “[Fiscal policy in open economies: estimates for the Euro area.](#)” *Discussant: Cristina Badarau.*

#### Session: A2: Housing and Collateral Constraints

1. **Ivan Jaccard** “[Asset Pricing and Housing Supply in a Production Economy.](#)” *Discussant: Tomi Kortela.*
2. **Tomi Kortela** “Do credit shocks matter for aggregate consumption?” *Discussant: Galo Nuño*

#### Session A3: Identification

1. **Marco Ratto & Nikolai Iskrev** “[Computational advances in analyzing identification of DSGE models.](#)” *Discussant: Frantisek Brazdik.*
2. **Michal Andrle** “[Note on Identification Patterns in DSGE Models](#)” (Marco Ratto)
3. **Efrem Castelnuovo** “[Monetary Policy shocks, Choleski Identification and DNK models: An empirical investigation for the U.S.](#)” *Discussant: Michal Andrle.*

11:00–11:30 Coffee break

11:30–12:30 **Plenary with Fabio Canova**

[“Measurement with Some Theory: A New Approach to Evaluate Business Cycle Models”](#)

13:00–14:00 Lunch

14:00–16:00 **Parallel Sessions B**

**Session B1: Risk premia**

1. **Stephan Fahr** & Mirko Abbritti [“Macroeconomics implications of downward wage rigidities.”](#) *Discussant: Scott Davis.*
2. **Scott Davis** [“The adverse feedback loop and the real effects of financial sector uncertainty.”](#) *Discussant: Stephan Fahr.*

**Session B2: Oil**

1. **Galo Nuno** & Anton Nakov [“Oilgopoly: A general equilibrium model of the oil macroeconomy nexus.”](#) *Discussant: Michel Juillard.*
2. **Arnoud Stevens** & Gert Peersman “Oil demand and supply shocks: An analysis in an estimated DSGE model.” *Discussant: Massimiliano Pisani.*

**Session B3: Inflation**

1. **Magali Marx** & Jean Barthélemy “A Discrete Monetary Policy Framework: an Application to the Japanese Case.” *Discussant: Pablo Burriel.*
2. **Pablo Burriel** & Luis J. Alvarez [“Micro-based estimates of heterogeneous pricing rules: The United States vs the Euro Area.”](#) *Discussant: Efreem Castelnovo.*
3. **Antti Ripatti** & Martin Ellison, Pentti Saikkonen, Markku Lanne “Non-causal Inflation.” *Discussant: Christian Matthes.*

16:00–16:30 Coffee break

16:30–18:30 **Parallel Sessions C**

**Session C1: Banks and the Macroeconomy**

1. **Pawel Zabczyk** & Martin Andreasen & Marcelo Ferman [“The business cycle implications of bank's maturity transformation.”](#) *Discussant: Hongru Zhang.*
2. **Olivier Pierrard** & Gregory de Walque [“Banking shock and monetary reactions in a New-Keynesian model.”](#) *Discussant: Marcel Ferman.*
3. **Hongru Zhang** “On the Role of Financial Sector Shocks to Aggregate Fluctuations.” *Discussant: Olivier Pierrard.*

**Session C2: Monetary policy and beliefs**

1. **Paolo Gelain** & Arnab Bhattacharjee "Forecast Performance of the FOMC: A Bayesian Analysis." *Discussant: Martin Ellison.*
2. **Christian Matthes** [“Figuring Out the Fed - Beliefs about Policymakers and Gains from Transparency.”](#)

### Session C3: Regime Switch Models

1. **František Brázdik** “[Announced regime switch: Optimal policy for transition period.](#)”  
*Discussant: Martina Cecioni*
2. **Paul McNelis & K.Chow** “[Need Singapore Fear Floating: A DSGE-VAR Approach.](#)” *Discussant: Markus Haavio*

19:00 Conference Dinner at “Villa Kokkonen”, departure by bus, return around 22:00  
<http://www.villakokkonen.fi/en>

## Friday, June 4<sup>th</sup>

### 09:00–11:00 Parallel Sessions D

#### Session D1: Non-Linear Methods

1. **Martin Andreasen** “[Non-linear DSGE Models and The Optimized Particle Filter.](#)”  
*Discussant: Invar Strid*
2. **Ingvar Strid & Paolo Giordani & Robert Kohn** “Adaptive hybrid MCMC for DSGE models.” *Discussant: Martin Andreasen.*
3. **Pawel Zabczyk & Martin Andreasen** “[An efficient method of computing higher order bond price perturbation approximations.](#)” *Discussant: Tarik Ocaktan*

#### Session D2: Investments and Business Cycle Fluctuations

1. **Martin Seneca & Francesco Furlanetto** “New Perspectives on Depreciation shocks as a source of business cycle fluctuations.” *Discussant: Antti Ripatti.*
2. **Takushi Kurozumi & Yasuo Hirose** “[Do Investment-Specific Technological Changes Matter for Business Fluctuations: Evidence from Japan?](#)”  
*Discussant: Kai Kristoffel.*
3. **Hanna Freystätter** “Financial frictions and disturbances in Finland.”  
*Discussant: Takushi Kurozumi.*

#### Session D3: Labor Markets

1. **Juuso Vanhala & Stefan Fahr** “[Offshoring and domestic labour markets: A matching model of outsourcing.](#)” *Discussant: Francesco Furlanetto.*
2. **Renato Faccini, Steeve Millard & Francesco Zanetti** “[Wage rigidities in an estimated DSGE model of the UK labour market.](#)” *Discussant: Arnoud Stevens.*

11:00–11:30 Coffee break

### 11:30–12:30 Plenary with Tom Sargent

“[Career Length: Effects of Curvature of Earnings Profiles, Earnings Shocks, and Social Security](#)”

13:00–14:00 Lunch

### 14:00–16:00 Parallel Sessions E

#### Session E1: Monetary transmission and business cycles in the Euro area

1. **Martina Cecioni & Stefano Neri** “[The monetary transmission mechanism in the euro area: Has it changed and why?](#)” *Discussant: Ivan Jaccard.*
2. **Kai Christoffel & Günter Coenen & Anders Warne** “Forecasting with DSGE Models.” *Discussant: Paolo Gelain.*

3. **Francesco Furlanetto** & Martin Seneca “Investment-specific shock and consumption.” *Discussant: Hanna Freystätter.*

#### **Session E2: Zero Lower Bound**

1. **Ragna Alstadheim** “[The zero lower bound and a neo-classical Phillips curve.](#)”  
*Discussant: Pascal Jacquinot*
2. **Rossana Merola** “Financial accelerator and the zero lower bound on interest rates.” *Discussant: Ragna Alstadheim*
3. **Pascal Jacquinot** & Sandra Gomes & Ricardo Mestre & Joao Sousa “[Global Policy at the Zero Lower Bound in a Large-Scale DSGE model.](#)”  
*Discussant: Rossana Merola.*

#### **Session E3: New directions for research**

1. **Galo Nuno** “[Optimal Research and Development Expenditure: a General Equilibrium Approach.](#)” *Discussant: Tanja Tanayama*
2. **Tarik Oaktan** “Can lower order perturbation methods accurately describe wealth dynamics.” *Discussant: Pawel Zabczyk.*

16:00 End of the conference

We hope that the last presenter of each session will act as a chairman of the session.

Each paper has 40 minutes that is allocated as 25 min for presentation,  
5 to comments, 10 to general discussion.

The sessions with only two papers follow the same schedule.

Note that the conference venue (<http://www.gustavelund.fi/en>) is  
30 km north of Helsinki city center.

For more local information, see the conference website  
[http://www.suomenpankki.fi/en/tutkimus/konferenssit/tulevat\\_konferenssit/Dynare\\_Jun2010.htm](http://www.suomenpankki.fi/en/tutkimus/konferenssit/tulevat_konferenssit/Dynare_Jun2010.htm)

Organizers:

Jouko Vilmunen, Antti Ripatti, Juha Kilponen, Michel Juillard