

Third Dynare Conference

Paris School of Economics

48 bd. Jourdan, 75014 Paris

organized by E. Jondeau*, M. Juillard †and F. Pelgrin‡

September 10–11, 2007

MONDAY, SEPTEMBER 10th

Parallel Sessions A: 9:15–11:00

Session A.1: Inflation and oil prices. Room: 10. Chair: M. Seneca.

1. **A. Nakov** & A. Pescatori “[Monetary policy in the presence of a dominant oil exporter](#)”. Discussant: F. Ruge–Murcia.
2. **C. Poilly** “[Money’s role in the transmission of monetary policy shocks](#)”. Discussant: M. Seneca.

Session A.2: Computational advances in DSGE estimation. Room: 6. Chair: S. Adjemian.

1. **I. Azzini**, R. Girardi & M. Ratto “[Parallelization of Matlab codes under Windows platform for Bayesian estimation: A Dynare application](#)” Discussant S. Villemot.
2. C. Planas, M. Ratto & **A. Rossi** “[Kalman filter initialization for structural macroeconomic models](#)” Discussant S. Adjemian.

Session A.3: Identification issues in DSGE models. Room: A2. Chair: M. Ratto.

1. J. Benes & **M. Fukac** “[Some issues in DSGE model identification](#)”. Discussant J. Fernandez-Villaverde.
2. **N. Iskrev** “[How much do we learn from estimating DSGE models: A case study of identification issues in a New Keynesian business cycle model](#)”. Discussant M. Ratto.

Coffee break 11:00–11:30

*HEC, Lausanne

†PSE, CEPREMAP and Univ. Paris 8

‡HEC, Lausanne

Plenary session: 11:30–12:30 Room: “Grande Salle”

J. Fernandez–Villaverde “[The new macroeconometrics: Foundations and applications](#)”

Lunch 12:30–14:00

Parallel Sessions B: 14:00–15:45

Session B.1: Monetary policy cooperation. Room: A2. Chair: M. Fukac.

1. G. Coenen, **G. Lombardo**, F. Smets & R. Straub “[International transmission and monetary policy cooperation](#)”. Discussant: J.–P. Laffargue.
2. **S. Adjemian**, M. Darracq Pariès, F. Smets “[A quantitative perspective on optimal monetary policy cooperation between US and the euro area](#)”. Discussant: M. Fukac.

Session B.2: Optimal inflation. Room: 6. Chair: P. Ilbas.

1. **J. Paez–Farrell** “[Optimal monetary policy under inflation targeting: When is the optimal perception of inflation not zero?](#)”. Discussant: T. Assenza.
2. J. Kim & **F. Ruge–Murcia** “[How much inflation is necessary to grease the wheels?](#)”. Discussant: P. Ilbas.

Session B.3: DSGE modelling and welfare analysis. Room: 10. Chair: M. Andreasen

1. **M. Andreasen** “[Using a DSGE model to explain business cycle facts for the post–war US economy](#)”. Discussant: J. Matheron.
2. S. Avouyi–Dovi & **J.–G. Sahuc** “[Welfare implications of monetary objectives and parameter uncertainty](#)”. Discussant: M. Andreasen.

Coffee break 15:45–16:15

Parallel Sessions C: 16:15–17:45

Session C.1: Monetary policy. Room: 8. Chair: O. de Bandt.

1. **P. Ilbas** “[Estimation of monetary policy preferences in a forward–looking model: A Bayesian approach](#)”. Discussant: C. De Resende.
2. C. Moons, H. Garretsen, **B. van Aarle** & J. Fornero “[Monetary policy in the New-Keynesian model: An application to the Euro area](#)”. Discussant: O. de Bandt

Session C.2: Asset pricing and general equilibrium. Room: A2. Chair: K. Beaubrun.

1. G. Rudebush, B. Sack & **E. Swanson** “[Macroeconomic implications of change in the term premium](#)”. Discussant O. Tristani.
2. B De Paoli & **P. Zabczyk** “[Risk premium dynamics in general equilibrium](#)”. Discussant: K. Beaubrun.

Session C.3: Financial market imperfections. Room: 10. Chair: G. Lombardo.

1. L. Brubakk, S. Elekdag & **J. Maih** “[The interaction between financial frictions and monetary policy for small open economies](#)”. (Appendix)
Discussant: Y. Zhang.
2. F. Covas & **Y. Zhang** “[Price-level versus inflation targeting with financial market imperfections](#)”. Discussant: G. Lombardo.

19:45 Conference Diner

TUESDAY, SEPTEMBER 11th

Parallel Sessions D: 9:15–11:00

Session D.1: Asset pricing and the yield curve. Room: A2. Chair: B. de Paoli.

1. B. De Paoli & **J. Sondergaard** “A canonical general equilibrium model of the FX risk premium”. Discussant E. Faia.
2. P. Hoerdahl, **O. Tristani** & D. Vestin “The yield curve and macroeconomic dynamics”. B. De Paoli.

Session D.2: Fiscal policy. Room: 6. Chair: B. Carton.

1. L. Forni, L. Monteforte & **L. Sessa** “[The general equilibrium effects of fiscal policy: Estimates for the Euro area](#)”. Discussant: Paul Cahu.
2. **C. De Resende** & N. Rebei “[Estimating the degree of fiscal dominance in a general equilibrium framework with sticky prices](#)”. Discussant: B. Carton.

Session D.3: The euro area as an open economy. Room: 10. Chair: L. Clerc.

1. **P. Jacquinot** & R. Straub “[Globalization and the macroeconomy](#)”. Discussant: J. Maih.
2. **M. Hradiský**, R. Girardi & M. Ratto “[Think twice, the EMU has a price: The Czech Republic case](#)”. Discussant: L. Clerc.

Coffee break 11:00–11:30

Plenary session: 11:30–12:30 Room: “Grande Salle”

K. Adam “[Stock market volatility](#)”, based on joint work with A. Marcet and J.P. Nicolini.

Lunch 12:30–14:00

Parallel Sessions E: 14:00–15:45

Session E.1: Learning and information in DSGE models. Room: A2. Chair: M. Juillard.

1. S. Slobodyan & **R. Wouters** “[Learning in an estimated DSGE model](#)”. Discussant: K. Adam.
2. **R. Mendes** “[Information, expectations and the business cycle](#)”. Discussant: M. Juillard.

Session E.2: DSGE modeling. Room: 6. Chair: B. Van Aarle.

1. G. Moretti & **G. Nicoletti** “[Long memory processes and DSGE models](#)”. Discussant: F. Mihoubi.
2. **S. Ivastchenko** “[Close DSGE models for emerging and developed countries](#)”. Discussant: B. Van Aarle.

Session E.3: Ricardian equivalence and rule-of-thumb consumers. Room: 10. Chair: A. Ripatti.

1. **A. Crawford** “[On Ricardian equivalence in a model with dual-purpose government spending](#)”. Discussant: J. Fornero.
2. **F. Furlanetto** & M. Seneca “[Rule-of-thumb consumers and the business cycle](#)”. Discussant: A. Ripatti.

Coffee break 15:45–16:15

Parallel Sessions F: 16:15–17:45

Session F.1: Credit channel and monetary policy. Room: 10. Chair: A. Nakov.

1. **T. Assenza** & D. Delli Gatti “[Borrowing constraints, multiple equilibria and monetary policy](#)”. Discussant: X. Ragot.
2. **J. Kilponen** & A. Milne “[The lending channel under optimal choice of monetary policy](#)”. Discussant: A. Nakov.

Conference ends: 17:45

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