T2M 2020 PROGRAM
Theories and Methods in Macroeconomics
March 26-27, 2020
Le Cube, Aix-en-Provence (France)

Thursday, March 26

8.30-9.00  Registration and welcoming coffee
9.00-9.15  Forewords
9.15-10.45 Parallel sessions (30 min per paper)

A1 - Labor market institutions
Chair: Thepthida Sopraseuth
Room 201-A
Linas Tarasonis, Vilnius University
The Life-cycle Profile of Worker Flows in Europe
Tobias Föll, University of Cologne
A Joint Theory of Polarization and Deunionization
Thepthida Sopraseuth, University of Cergy-Pontoise
Public and Private Employment in a Model with Underemployment

A2 - Fiscal policy
Chair: Anastasios Karantounias
Room 201-B
Xavier Ragot, Sciences Po
Should monetary policy care about redistribution? Should fiscal policy care about inflation? Optimal monetary policy with heterogeneous agents
Anna Belianska, Aix-Marseille University, AMSE
The Transmission Channels of Government Spending Uncertainty
Anastasios Karantounias, Federal Reserve Bank of Atlanta
A general theory of tax-smoothing

A3 - Inequality and redistribution
Chair: Ctirad Slavik
Room 211
Jean-Baptiste Michau, Ecole Polytechnique
Helicopter Drops of Money under Secular Stagnation
Russell Cooper, European University Institute
Political Activism and the Provision of Dynamic Incentives: The Guardians of the Pie in the Battle for Redistribution
Ctirad Slavik, CERGE-EI
Finance and Inequality: A Tale of Two Tails

A4 - Foreign exchange rate
Chair: Evgenia Passari
Room 231
Michael Kumhof, Bank of England
Towards a new monetary theory of exchange rate determination
Vito Cormun, Boston College
Shocks and Exchange Rates in Small Open Economies
Evgenia Passari, University Paris-Dauphine
Exchange Rates and Commodity Prices

A5 - Monetary policy
Chair: Gee Hee Hong
Plateau
Ivan Jaccard, European Central Bank
Monetary Non-neutralities when Credit Constraints Bite
Tommaso Trani, University of Navarra
Long-term business relationships, bargaining and monetary policy
Gee Hee Hong, International Monetary Fund
The Real Effects of Monetary Shocks: Evidence from Micro Pricing Moments

B1 - Macroeconomic effects of fiscal shocks
Chair: Laurent Ferrara
Room 201-A
Laure Simon, European University Institute
Fiscal Stimulus and Skill Accumulation over the Life-Cycle
Giovanni Caggiano, Monash University
Are Fiscal Multipliers Estimated with Proxy SVARs Robust?
Francesco Pappada, Paris School of Economics
Sovereign Default and Imperfect Tax Enforcement
Daniele Siena, Banque de France
Questioning the puzzle: fiscal policy, real exchange rate and inflation

B2 - Consumption behavior
Chair: Florian Exler
Room 201-B
Jochen Mankart, Deutsche Bundesbank
House Price Expectations and Housing Choice
Eric Young, University of Virginia
A Model of Expenditure Shocks
Donghoon Yoo, Institute of Social and Economic Research, Osaka University
Consumer Credit with Over-Optimistic Borrowers
Florian Exler, University of Vienna
Confidence, Fundamentals, and Consumption

B3 - Expectations and heterogeneity
Chair: Erwan Gautier
Room 211
Tiziano Ropele, Bank of Italy
A Quantitative Analysis of Distortions in Managerial Forecasts
Pablo Winant, Ecole Supérieure de Commerce de Paris
Will Artificial Intelligence Replace Computational Economists Any Time Soon?
Fabian Winkler, Federal Reserve Board
The Factor Structure of Disagreement
Erwan Gautier, Banque de France
Inflation Expectations and Consumption Decisions

B4 - Firm dynamics
Chair: Stefano Fasani
Room 231
Sumudu Kankanamge, Toulouse School of Economics
The Underlying Mechanisms of Entry and Exit in the Small Business Sector
Anthony Savagar, University of Kent
Measured Productivity with Endogenous Markups and Economic Profits
Basile Grassi, Bocconi University
Bottom-up Markup Fluctuations
Stefano Fasani, University of London
Firms Dynamics and Policy Uncertainty Shocks

B5 - Financial frictions and fluctuations
Chair: David Gauthier
Plateau
Pablo García, Banque centrale du Luxembourg
Costly Default and Asymmetric Real Business Cycles
Dallal Bendjellal, Aix-Marseille University, AMSE
Sovereign Risk, Financial Fragility and Debt Maturity
Benjamin Larin, University of St.Gallen
Bubble-Driven Business Cycles
David Gauthier, Bank of England
Financial Shocks and the Debt Structure
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<td>Lorenza Rossi</td>
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<td>C2</td>
<td>Finance and international macroeconomics</td>
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### Sessions Overview

**C1 - Heterogeneity in macroeconomics**
- Cristiano Cantore, Bank of England
- Joseba Martinez, London Business School
- Lorenza Rossi, University of Pavia

**C2 - Finance and international macroeconomics**
- Lilia Ruslanova, University of Zurich
- Massimo Giovanni, European Commission
- Damien Puy, International Monetary Fund
- Kenza Benhima, University of Lausanne

**C3 - Fiscal and monetary policies**
- Jorge Mondragon, Ecole Polytechnique Fédérale de Lausanne
- Jacopo Bonchi, Sapienza - University of Rome
- Thomas Grjebine, CEPII

**C4 - Fiscal multiplier**
- Ansgar Rannenberg, National Bank of Belgium
- Daniel Murphy, University of Virginia, Darden School of Business
- Anna Rogantini Picco, European University Institute
- Aurélien Eyquem, Université Lumière Lyon 2

**C5 - Fluctuations**
- Christoph Görtz, University of Birmingham
- Martin Ellison, University of Oxford
- Nicolas Abad, University of Rouen
- Gauthier Vermandel, Paris-Dauphine, PSL & France Stratégie

### Schedule

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<td>13.15-14.30</td>
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<td>14.30-16.30</td>
<td>Parallel sessions (30 min per paper)</td>
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<td>16.30-17.00</td>
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<td>17.00-18.00</td>
<td>Keynote speaker #1 Michèle Tertilt, University of Mannheim</td>
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<td>20.00</td>
<td>Gala dinner at the “Grand Hôtel Roi René Aix en Provence Centre MGallery by Sofitel” 24 Boulevard du Roi René, 13100 Aix en Provence</td>
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## Friday, March 27

9.15-10.45 Parallel sessions (30 min per paper)

### D1 - Macroeconomic trade-offs in a monetary union

**Chair:** Linda Tesar  
**Room 201-A**

- **Christian Proebsting,** École Polytechnique Federale de Lausanne  
  Fiscal Policy, Relative Prices and Net Exports in a Currency Union
- **Dmitriy Sergeyev,** Bocconi University  
  Optimal Macroprudential and Monetary Policy in a Currency Union
- **Linda Tesar,** University of Michigan & EPFL  
  Regional effects of exchange rate fluctuations

### D2 - Financial markets

**Chair:** Russell Cooper  
**Room 201-B**

- **Sarah Mouabbi,** Banque de France  
  Disastrous defaults
- **Thibault Libert,** Banque de France - ACPR  
  Granular Borrowers
- **Russell Cooper,** European University Institute  
  Rationalizing Trading Frequency and Returns: Maybe Trading is Good for You

### D3 - Firms and heterogeneity

**Chair:** Francesco Pappada  
**Room 211**

- **Filippo Scoccianti,** Banca d’Italia  
  Aggregate Dynamics and Microeconomic Heterogeneity: The Role of Vintage Technology
- **Rajssa Mechelli,** Oxford University  
  Competition and Inequality
- **Francesco Pappada,** Paris School of Economics  
  Exchange rate regime and firm dynamics

10.45-11.15 Coffee break

11.15-12.15 Keynote speaker #2

- **Oleg Itskhoki,** Princeton University  
  Granular comparative advantage

12.15-13.45 Session "DBnomics"

- **Thomas Brand,** CEPREMAP  
  DBnomics, the world’s economic database
- **Antonio Maria Conti,** Banca d’Italia  
  Labour productivity and the wageless recovery
- **Vito Cormun,** Boston College  
  What are the Sources of Boom-Bust Cycles?
- **Ibrahim Diarra,** University of Paris-Saclay  
  Market Sovereign Default and Haircuts: the Role of Expectations
- **Kevin Genna,** Aix-Marseille University, AMSE  
  Capital inertia and the timing of energy transition

13.45-15.15 Parallel sessions (30 min per paper)

### E1 - Expectations and macroeconomics

**Chair:** Fabrice Collard  
**Room 201-A**

- **Gaetano Gaballo,** HEC Paris  
  Learning from House Prices: Amplification and Business Fluctuations
- **Tiziana Assenza,** Toulouse School of Economics  
  Perceived wealth and behavioral inattention
- **Julien Matheron,** Banque de France  
  Shocks and Frictions: A Finite Planning Horizon Approach

### E2 - International macroeconomics

**Chair:** Isabelle Méjean  
**Room 201-B**

- **Pau Roldan-Blanco,** Bank of Spain  
  International Trade and Innovation Dynamics with Endogenous Markups
- **Karine Gente,** Aix-Marseille University, AMSE  
  Production Network and International Fiscal Spillovers
- **Isabelle Méjean,** CREST-Ecole Polytechnique  
  Foreign Shocks as Granular Fluctuations

### E3 - Labor market

**Chair:** Rahul Mukherjee  
**Room 211**

- **Fabien Petit,** Aix-Marseille University, AMSE  
  Inter-generational conflict and the declining labor share
- **Lise Patureau,** PSL, University Paris-Dauphine  
  Inefficiencies in Globalized Economies with Labor Market Frictions
- **Rahul Mukherjee,** IHEID  
  Trends in Aggregate Employment, Hours Worked per Worker, and the Long-Run Labor Wedge
Erica Perego, CEPII
International monetary policy spillovers: the role of commodity prices

Georg Strasser, European Central Bank
Central Bank Information Effects and International Spillovers

Romanos Priftis, Bank of Canada
Optimal quantitative easing in a currency union

Mark Weder, Aarhus University
Do We Really Know that U.S. Monetary Policy was Destabilizing in the 1970s?

Pei Kuang, University of Birmingham
Potential Output Pessimism and Austerity in the European Union

Stéphane Dupraz, Banque de France
A Pitfall of Cautiousness in Monetary Policy

Xavier Raurich, University of Barcelona
Are the liquidity and collateral roles of asset bubbles different?

Takashi Kamihigashi, Kobe University
A simple theory of deflation

Alain Venditti, CNRS, AMSE
Optimal growth, bequests and competitive equilibrium cycles in two-sector OLG models

Jérôme Héricourt, University of Lille, LEM-CNRS & CEPII
Sectoral Reallocations, Real Estate Shocks, and Productivity Divergence in Europe

Sara Eugeni, Durham University
Exchange rate volatility and cooperation in an incomplete markets’ economy

Luca Dedola, European Central Bank
The Missing Internal Devaluation: Regional Adjustment in the US Great Recession

Suchismita Tarafdar, Shiv Nadar University
Fiscal Austerity in Emerging Market Economies

Chima Simpson-Bell, European University Institute
Fiscal and Currency Unions with Default and Exit

Matteo Cacciator, HEC Montréal
Trade Flows and Fiscal Multipliers

Alexander Rodnyansky, University of Cambridge
The Bond Lending Channel of Monetary Policy

Matthieu Lemoine, Banque de France
Monetary policy transmission in France under different types of expectations

Marien Ferdinandusse, European Central Bank
Quantitative easing and the price-liquidity trade-off

Karl Harmenberg, Copenhagen Business School
Consumption Dynamics under Time-Varying Unemployment Risk

Joonseok Oh, Freie Universität Berlin
Macro Uncertainty and Unemployment Risk

Pontus Rendahl, University of Cambridge
Unexpected Effects: Uncertainty, Unemployment, and Inflation