

EURO AREA BUSINESS CYCLE NETWORK (EABCN)

# Inflation Developments after the Great Recession

Eltville (Frankfurt), 6-7 December 2013  
Hosted by the Deutsche Bundesbank

A Euro Area Business Cycle Network (EABCN) Conference  
[www.eabcn.org](http://www.eabcn.org)

**Organisers:**

**Sandra Eickmeier (Deutsche Bundesbank and CAMA)**  
**Michael Krause (University of Cologne)**  
**Eric Leeper (Indiana University, Monash University and NBER)**  
**Massimiliano Marcellino (Bocconi University, IGIER, EABCN and CEPR)**

The event is hosted by the Deutsche Bundesbank and sponsored by the EABCN

## Programme

### Friday 6 December

- 9.00-9.30 *Registration*
- 9.30-10.00 **Opening Remarks**  
Jens Weidmann (Governor, Deutsche Bundesbank)  
*Chair: Heinz Herrmann (Deutsche Bundesbank)*
- 10.00-11.00 **The Making of a Great Contraction with a Liquidity Trap and a Jobless Recovery**  
\*Stephanie Schmitt-Grohé (Columbia University and CEPR) and Martín Uribe (Columbia University)  
*Discussant: Roberto M Billi (Sveriges Riksbank)*
- 11.00-12.00 **An Empirical Assessment of Optimal Monetary Policy Delegation in the Euro Area**  
Xiaoshan Chen (University of Glasgow), Tatiana Kirsanova (University of Glasgow) and \*Campbell Leith (University of Glasgow)  
*Discussant: Leo von Thadden (Universität Mainz and European Central Bank)*
- 12.00-13.30 *Lunch*
- 13.30-14.30 **Poster Session 1**  
*Chair: Eric Leeper (Indiana University, Monash University and NBER)*
- 14.30-15.30 **Currency unions, fiscal policy and reversibility risk**  
Alexander Kriwoluzky (University of Bonn), \*Gernot Müller (University of Bonn and CEPR) and Martin Wolf (University of Bonn)  
*Discussant: Matthias Hoffmann (Deutsche Bundesbank)*
- 15.30-16.00 *Coffee Break*

16.00-17.00 **Inflation Experience and Inflation Expectations: Spatial Evidence**  
Marcel Fratzscher (DIW Berlin, Humboldt University and CEPR) \*Refet S. Gürkaynak (Bilkent University and CEPR) and Gülserim Özcan (Bilkent University)

*Discussant: Ana Galvão (University of Warwick)*

17.00-18.00 **Are Consumer Expectations Theory-Consistent? The Role of Macroeconomic Determinants and Central Bank Communication**  
Lena Dräger (University of Hamburg), Michael J. Lamla (University of Essex and ETH Zurich) and \*Damjan Pfajfar (CentER and EBC, University of Tilburg)

*Discussant: Malte Knüppel (Deutsche Bundesbank)*

## Saturday 7 December

*Chair: Sandra Eickmeier (Deutsche Bundesbank and CAMA)*

09.00-10.00 **Measuring the Slowly Evolving Trend in US Inflation with Professional Forecasts**  
\*Jim Nason (North Carolina State University) and Gregor W Smith (Queen's University)

*Discussant: Marta Banbura (European Central Bank)*

10.00-11.00 **A money based indicator for deflation risk in the Euro Area**  
\*Giovanni Amisano (European Central Bank) and Roberta Colavecchio (University of Hamburg)

*Discussant: Samuel Reynard (Swiss National Bank)*

11.00-11.30 *Coffee Break*

*Chair: Michael Krause (Deutsche Bundesbank)*

11.30-12.30 **The Macroeconomics of Trend Inflation**  
\*Guido Ascari (University of Oxford and University of Pavia) and Argia M. Sbordone (Federal Reserve Bank of New York)

*Discussant: Günter Coenen (European Central Bank)*

12.30-13.30 *Lunch*

13.30-14.30 **Poster Session 2**

14.30-15.30 **Inflation in the Great Recession and New Keynesian Models**  
\*Marc Giannoni (Federal Reserve Bank of New York and CEPR), Marco Del Negro (Federal Reserve Bank of New York) and Frank Schorfheide (University of Pennsylvania and CEPR)

*Discussant: Bartosz Mackowiak (European Central Bank and CEPR)*

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\* Indicates the presenter.

Sessions are divided into 35 minutes for the presenter, 15 minutes for discussant and 10 minutes for general discussion.

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## Poster Session 1 (Friday 6 December)

### **Risks to Price Stability, the Zero Lower Bound and Forward Guidance: A Real-Time Assessment**

\*Günter Coenen (European Central Bank) and Anders Warne (European Central Bank)

### **Fiscal Policy and Inflation in a Monetary Union**

José-Miguel Cardoso-Costa (Portuguese Treasury and Government Debt Agency and Universidade Nova de Lisboa) and \*Vivien Lewis (Catholic University of Leuven)

### **Inflation Zone Targeting and Skewed Inflation Expectations**

Ulrich Fritsche (Universität Hamburg), \*Jan-Oliver Menz (Deutsche Bundesbank), and Christian Pierdzioch (Helmut-Schmidt-Universität Hamburg)

### **Modeling the Term Structure of Interest Rates in a Dynamic Hierarchical Factor Model**

Keyvan Dehmamy (Goethe University, Frankfurt) and \*Arne Halberstadt (Deutsche Bundesbank)

### **How New Keynesian is the US Phillips Curve?**

Ragna Alstadheim (Norges Bank)

### **Exchange Rate and Price Dynamics in a Small Open Economy – The Role of the Zero Lower Bound and Monetary Policy Regimes**

\*Gregor Bäurle (Swiss National Bank) and Daniel Kaufmann (Swiss National Bank)

### **Random Wage Indexation and Optimal Monetary Policy**

\*Jonathan Attey (Erasmus University Rotterdam) and Casper G. de Vries (Erasmus University Rotterdam)

### **The Phillips Curve Is Stable – But Frequency-Dependence Implies a Wiggly NAIRU**

Richard Ashley (Virginia Tech) and \*Randal Verbrugge (Federal Reserve Bank of Cleveland)

## Poster Session 2 (Saturday 7 December)

### **Assessing Potential Inflation Consequences of QE after Financial Crises**

Samuel Reynard (Swiss National Bank)

### **Understanding inflation expectations after the Great Recession**

Matteo Ciccarelli (European Central Bank) and \*Juan Angel García (European Central Bank)

### **Inflation, Unemployment, and Labor Force: The Phillips Curve and Long-term Projections for Japan**

Ivan O. Kitov (Russian Academy of Sciences) and \*Oleg Kitov (University of Oxford)

### **Inflation Expectation Dynamics: The Role of Past, Present and Forward Looking Information**

Paul Hubert (OFCE – Sciences Po) and \*Harun Mirza (University of Bonn)

### **The Distribution of Inflation among Austrian Households**

Pirmin Fessler (Oesterreichische Nationalbank) and \*Friedrich Fritzer (Oesterreichische Nationalbank)

### **Do Consumers in Europe Anticipate Future Inflation? Has it Changed Since the Beginning of the Financial Crisis?**

Tomasz Lyziak (Economic Institute, National Bank of Poland) and \*Joanna Mackiewicz-Lyziak (University of Warsaw)

### **Adaptive Models and Heavy Tails**

\*Davide Delle Monache (Queen Mary University of London) and Ivan Petrella (Birkbeck College, University of London and CEPR)

