

Using Economic Models to Make Policy Recommendations:
Decades of Advancement?
X Summer School of the Urrutia Elejalde Foundation

Organizers: Javier Díaz-Giménez & Ramon Marimon & José Víctor Ríos-Rull

San Sebastián (Spain), July 2–4, 2007

Provisional Program

Monday, July 2, 2007

09:00–10:30 *Lecture 1: “Monetary Policy” by F. Kydland (U. of California at Santa Barbara).*

10:30–11:00 Coffee Break.

11:00–13:00 Session 1: Accounting for persistence and fluctuations using dynamic macroeconomic models.

- “The Cost of Unemployment Fluctuations Revisited” by P. Jung (U. of Amsterdam) and K. Kuester (European Central Bank).
- “Explaining Earnings Persistence: Does College Education Matter?” by C. Winter (European U. Institute).
- Discussant: F. Portier

13:00–14:30 Lunch Break.

14:30–16:30 Session 2: Using DSGE models to characterize optimal monetary policy.

- “Optimal Inflation Stabilization in a Medium-Scale Macroeconomic Model” by S. Schmitt-Grohe (Duke U.) and M. Uribe (Duke U.).
- “Optimal Monetary Policy in an estimated DSGE for the Euro Area” by M. Darracq-Paries (European Central Bank) and S. Moyen (U. d’Evry Val d’Essonne).
- Discussant: K. Adam

16:30–17:00 Coffee Break.

17:00–18:30 *Lecture 2: “Using DSGE models to think about Intellectual Property Protection and Innovation” by T. Cooley (New York U.).*

Tuesday, July 3, 2007

09:00–10:30 *Lecture 3: “Wage risk and employment risk over the life cycle” by C. Meghir (U. College of London)*

10:30–11:00 Coffee Break.

11:00–13:00 Session 3: Using DSGE models to assess the evidence on inflation and to evaluate monetary policy.

- “Shocks, Structures or Monetary Policies? The Euro Area and the United States after 2001” by L. Christiano (Northwestern U.), R. Motto (European Central Bank) and M. Rostagno (European Central Bank).
- “Inflation Differentials in a Currency Union: A DSGE Perspective” by P. Rabanal (La Caixa).
- Discussant: M. Uribe

13:00–14:30 Lunch Break.

14:30–16:30 Session 4: Using dynamic macroeconomic models for the design of fiscal policies.

- “Taxing Capital? Not a Bad Idea After All” by J.C. Conesa (U. Autònoma de Barcelona), S. Kitao (New York U.), and D. Krueger (Goethe U.).
- Delaying Retirement in Spain J. Díaz-Giménez (U. Carlos III de Madrid) and J. Díaz-Saavedra (U. de Granada).
- Discussant: N. Guner

16:30–17:00 Coffee Break.

17:00–18:30 *Lecture 4: “Calibration, Estimation, and Effects of Technology Shocks” by J.V. Ríos-Rull (U. of Pennsylvania).*

Wednesday, July 4, 2007

09:00–10:30 *Lecture 5: “Making connections between structural VAR’s and DSGE’s.” by C. Sims (Princeton University).*

10:30–11:00 Coffee Break.

11:00–13:00 Session 5: Inference for policy makers from dynamic macroeconomic models.

- “Monetary Policy Analysis with Potentially Misspecified Models” by M. del Negro (Federal Reserve Bank of Atlanta) and F. Schorfheide (U. of Pennsylvania).
- “Estimating Macroeconomic Models: A Likelihood Approach” by J. Fernández-Villaverde (U. of Pennsylvania) and J.F. Rubio-Ramírez (Duke U.).
- Discussant: K. Storesletten

13:00–14:00 Panel Discussion: “Causality and Macroeconomic Policy Evaluation” chaired by R. Marimon (European U. Institute)

14:00–15:30 Lunch Break.

15:30–23:00 Touristic Visit and Conference Dinner