



EUROPEAN CENTRAL BANK

EUROSYSTEM

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# Second ECB Annual Research Conference

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25 and 26 September 2017  
Conference Room C5.01, Grossmarkthalle  
European Central Bank  
Frankfurt am Main

# Second ECB Annual Research Conference

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## Monday, 25 September 2017

- 8:30 Registration and coffee
- 9:00 **Welcome address**  
**Vítor Constâncio, Vice-President, European Central Bank**
- 9:30 **Paper 1: Payments, credit and asset prices**  
Chair: Pedro Gustavo Teixeira, European Central Bank  
Presenter: Monika Piazzesi, Stanford University, Graduate School of Business  
Discussant: Pierre Collin-Dufresne, École Polytechnique Fédérale de Lausanne
- 10:30 Coffee break
- 11:00 **Paper 2: Mortgage design in an equilibrium model of the housing market**  
Chair: Ulrich Bindseil, European Central Bank  
Presenter: Arvind Krishnamurthy, Stanford University, Graduate School of Business  
Discussant: Victoria Ivashina, Harvard Business School
- 12:00 **Paper 3: Life below zero: bank lending under negative policy rates**  
Chair: Chiara Zilioli, European Central Bank  
Presenter: Glenn Schepens, European Central Bank  
Discussant: Wouter den Haan, London School of Economics
- 13:00 Lunch

- 14:00 **Paper 4: Rational inattention and inference from market share data**  
Chair: Frank Smets, European Central Bank  
Presenter: John Leahy, University of Michigan  
Discussant: Bartosz Maćkowiak, European Central Bank
- 15:00 Coffee break
- 15:20 **Paper 5: The tail that wags the economy: beliefs and persistent stagnation**  
Chair: Aurel Schubert, European Central Bank  
Presenter: Laura Veldkamp, New York University  
Discussant: Alberto Martin, Centre de Recerca en Economia Internacional
- 16:20 Coffee break
- 16:45 **Panel discussion: Exit from non-standard monetary policy**  
Chair: Benoît Cœuré, Member of the Executive Board, European Central Bank  
Panellists:  
Olivier Blanchard, Peterson Institute for International Economics  
Hyun Shin, Bank for International Settlements  
Jeremy Stein, Harvard University
- 18:15 Adjourn
- 19:30 Conference dinner – upon invitation only

## Tuesday, 26 September 2017

- 8:30 Registration and coffee
- 9:00 **Paper 6: Globalization, inequality and welfare**  
Chair: Frank Moss, European Central Bank  
Presenter: Pol Antràs, Massachusetts Institute of Technology  
Discussant: Samuel Kortum, Yale University
- 10:00 Coffee break
- 10:30 **Paper 7: Heterogeneity and persistence in returns to wealth**  
Chair: Christine Graeff, European Central Bank  
Presenter: Luigi Guiso, Einaudi Institute for Economics and Finance  
Discussant: Kjetil Storesletten, University of Oslo and Norges Bank
- 11:30 Coffee break
- 12:00 **Paper 8: The elusive costs of inflation: price dispersion during the US Great Inflation**  
Chair: Massimo Rostagno, European Central Bank  
Presenter: Emi Nakamura, Columbia University  
Discussant: Jordi Galí, Centre de Recerca en Economia Internacional
- 13:00 Lunch

**14:00 Jean Monnet Lecture**

Chair: Peter Praet, Member of the Executive Board,  
European Central Bank

Presenter: Peter Diamond, Massachusetts Institute of  
Technology

**15:00** Adjourn

**Pol Antràs**  
Massachusetts Institute of  
Technology



Pol Antràs is the Robert G. Ory Professor of Economics at Harvard University, where he has taught since 2003. He is also a Research Associate at the National Bureau of Economic Research, a Research Affiliate at the Centre for Economic Policy Research and a member of CESifo.

Since 2015 he has served as Editor of the *Quarterly Journal of Economics*, having previously been on the editorial board of the *American Economic Review*, the *Review of Economic Studies*, the *Journal of International Economics* and the *Annual Review of Economics*. He was awarded a Sloan Research Fellowship in 2007 and the Fundación Banco Herrero Prize in 2009, and was elected a Fellow of the Econometric Society in 2015.

Antràs' research fields are international economics and applied theory. His most recent work focuses on the analysis of global value chains and the interplay between trade, inequality and costly redistribution.

**Olivier Blanchard**  
Peterson Institute for International  
Economics



A citizen of France, Olivier Blanchard is a macroeconomist who has spent his professional life in the United States. He first taught at Harvard, then at MIT, where he was Chair of the Department of Economics from 1998 to 2003. From 2008 to 2015 he was Chief Economist of the IMF.

He is now the Fred Bergsten Senior Fellow at the Peterson Institute in Washington. He also remains Robert M. Solow Professor of Economics emeritus at MIT.

He is the author of many books and articles, including two textbooks on macroeconomics, one at graduate level and one at undergraduate level. He is a Fellow and past member of the Council of the Econometric Society, President-elect of the American Economic Association, and a member of the American Academy of Sciences.



## Benoît Cœuré

Member of the Executive Board,  
European Central Bank



Benoît Cœuré has been a member of the Executive Board of the ECB since 1 January 2012. He is responsible for International and European Relations, Market Operations and the Oversight of Payment Systems. He is the Chair of the Committee on Payments and Market Infrastructures (CPMI) of the Bank for International Settlements, and has held this position since October 2013.

He has held various positions at the French Treasury, notably that of Chief Executive of the debt management office Agence France Trésor, G7 and G20 sous-sherpa, Deputy Director General and Chief Economist.

Graduate of the École polytechnique and alumnus of the École nationale de la statistique et de l'administration économique (ENSAE), he teaches at the Institut d'études politiques de Paris (Sciences Po). He is also the author of numerous articles and books on international and European monetary and financial issues.

**Pierre Collin-Dufresne**  
École Polytechnique Fédérale de  
Lausanne



Pierre Collin-Dufresne is a Professor at the Swiss Finance Institute (SFI) of the École Polytechnique Fédérale de Lausanne. He has published in leading academic journals such as *Econometrica*, *The American Economic Review* and *The Journal of Finance* and won various research awards including Amundi Smith Breeden Prizes.

He has served as Director of the Western Finance Association and as associate editor for several leading finance journals, as well as having been a member of the Centre for Economic Policy Research and of the National Bureau of Economic Research (NBER). Before joining the SFI, he was the Carson Family Professor of Business at Columbia University.

He previously held professorships at the Haas School of Business of UC Berkeley and at Carnegie Mellon University. Professor Collin-Dufresne also worked in the Quantitative Strategies group of Goldman Sachs Asset Management and as consultant to the Federal Reserve Bank of New York and the ECB.

## Vítor Constâncio

Vice-President, European Central Bank



Vítor Constâncio has been Vice-President of the ECB since 1 June 2010. He was Governor of the Banco de Portugal from 1985 to 1986 and from February 2000 to May 2010. He graduated in Economics from the Universidade Técnica de Lisboa.

Before being appointed as Governor of the Banco de Portugal, he was Executive Director of the Banco Português de Investimento (1995-2000) and non-executive Director of the Electricidade de Portugal (EDP), the Portuguese national power utility (1998-2000).

He was Invited Senior Professor of Economics at the Instituto Superior de Economia e Gestão from 1989 to June 2010, the culmination of a long academic career.

## Wouter Den Haan

London School of Economics



Wouter J. Den Haan has been Professor of Economics at the London School of Economics (since 2011), Co-Director of the Centre for Macroeconomics, and Programme Director of the Centre for Economic Policy Research (CEPR).

Professor Den Haan earned his MA at Erasmus University in Rotterdam (cum laude) and his PhD at Carnegie Mellon University in Pittsburgh in 1991. His dissertation won the Alexander Henderson Award for excellence in economics. After earning his PhD he became an Assistant Professor at the University of California, San Diego, where he became a Professor in 2001. He also held positions as Professor at the London Business School and the University of Amsterdam. He served as editor of the *Economic Journal* and the *Journal of Economic Dynamics and Control*.

His research focuses on macroeconomic models with heterogeneous agents in which frictions in labour and financial markets play a key role.

**Peter Diamond**  
Massachusetts Institute of  
Technology



Peter Diamond is an Institute Professor Emeritus at MIT, where he taught from 1966 to 2011. He has analysed pension systems in Australia, Chile, China, France, Germany, Italy, the Netherlands, New Zealand, Spain, Sweden, the United Kingdom and the United States.

His books include *Saving Social Security: A Balanced Approach* (with Peter Orszag) and *Pension Reform: A Short Guide* (with Nicholas Barr). His recent papers include “The Case for a Progressive Tax: From Basic Research to Policy Recommendations” (with Emmanuel Saez), “Cyclical Unemployment, Structural Unemployment,” “Shifts in the Beveridge Curve” (with Ayşegül Şahin) and “Addressing the Forces Driving Inequality in the U.S.” He has been President of the American Economic Association, the Econometric Society, the National Academy of Social Insurance and the Western Economics Association International.

He was one of three winners of the 2010 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel for analysis of markets with search frictions.

**Jordi Galí**  
Centre de Recerca en Economia  
Internacional



Jordi Galí earned his PhD in Economics at the MIT in 1989. Currently he is Director and Senior Researcher at the Centre for Research in International Economics (CREI), Professor at Universitat Pompeu Fabra and Research Professor at the Barcelona GSE. He has held academic positions at New York University and Columbia University. He has been a Visiting Professor at MIT. He is a Research Fellow at the CEPR, a Research Associate at the NBER and a Fellow of the Econometric Society. He has served as a co-editor of the *Journal of the European Economic Association* and co-director of the CEPR International Macroeconomics Programme.

In 2012 he served as President of the European Economic Association. Among other awards, Galí has received the National Research Prize from the Government of Catalonia and was co-recipient of the Yrjö Jahnsson Award. He regularly acts as a consultant to the ECB, the Sveriges Riksbank and the Norges Bank. His research interests include macroeconomics and monetary theory: he has published articles on these topics in numerous scientific journals.

## Luigi Guiso

Einaudi Institute for Economics and Finance



Luigi Guiso is the Axa Professor of Household Finance and Insurance at the Einaudi Institute for Economics and Finance in Rome.

He has directed the Finance Programme at the CEPR in London for five years and taught as a Visiting Professor at the London School of Economics and Political Science and Imperial College London, at the University of Chicago Booth School of Business and at Northwestern University. Besides his work in the field of household finance, he has contributed research in the field of labour economics, firm investments and financial decisions, entrepreneurship and banking, political economy and institutions, and in the recent field of culture and economics.

His research has been published in major scholarly journals such as the *Review of Economic Studies*, the *Journal of Monetary Economics*, the *Quarterly Journal of Economics*, the *Journal of Political Economy*, and the *American Economic Review*.

**Hyun Song Shin**  
Bank for International Settlements



Hyun Song Shin took up the position of Economic Adviser and Head of Research at the Bank for International Settlements on 1 May 2014.

Before joining the BIS, Mr Shin was the Hughes-Rogers Professor of Economics at Princeton University. In 2010, on leave from Princeton, he served as Senior Adviser to the President of the Republic of Korea, taking a leading role in formulating financial stability policy and developing the agenda for the G20 during its presidency. From 2000 to 2005, he was Professor of Finance at the London School of Economics.

He holds a DPhil and an MPhil in Economics from Oxford University (Nuffield College) and a BA in Philosophy, Politics and Economics from the same university.



**Victoria Ivashina**  
Harvard Business School



Victoria Ivashina is the Lovett-Learned Chaired Professor of Finance at Harvard Business School.

She is a Research Associate at the NBER, a Visiting Scholar at the Federal Reserve Bank of Boston and a Regular Research Visitor at the ECB. She serves on the editorial boards of the *Review of Financial Studies*, the *Review of Corporate Finance Studies*, and the *Journal of Financial Intermediation*. Professor Ivashina's research includes topics on credit availability and pricing, global banking operations, the evolution of the leveraged loan market, the impact of monetary policy, reaching-for-yield in the insurance industry and value creation by private equity investors. She currently teaches private equity finance in the Harvard Business School MBA and Executive Education Programs.

Professor Ivashina holds a PhD in Finance from the NYU Stern School of Business, and a BA in Economics from Pontificia Universidad Católica del Perú.

## Samuel Kortum

Yale University



Samuel Kortum is the James Burrows Moffatt Professor of Economics at Yale University, a Fellow of the Econometric Society, a Member of the American Academy of Arts and Sciences, and a Research Associate at the NBER.

Before coming to Yale in 2012, he served on the faculty at Boston University, the University of Minnesota and the University of Chicago. Kortum received his bachelor's degree from Wesleyan University and his PhD in Economics from Yale.

In 2004 he and Jonathan Eaton received the Econometric Society's Frisch Medal for their paper "Technology, Geography, and Trade" published in *Econometrica*. He served as an editor of the *Journal of Political Economy* from 2008-12. In addition to international economics, Kortum has written on economic growth, innovation, technology diffusion and firm dynamics.

**Arvind Krishnamurthy**  
Stanford University, Graduate  
School of Business



Arvind Krishnamurthy is John S. Osterweis Professor of Finance at the Stanford Graduate School of Business and a Research Associate at the NBER.

Professor Krishnamurthy's research interests include financial intermediation, debt markets, housing markets, financial crises, monetary policy and financial regulation. He has published numerous journal articles in leading journals and received various awards for his research, including the Smith Breeden Prize and the Western Finance Association Corporate Finance Award.

He has written on the causes and consequences of financial crises and is a leading scholar on the global financial crisis that began in 2007. He was formerly an associate editor at the *Journal of Finance* and the *American Economics Journal: Macroeconomics* and is currently associate editor at the *American Economic Review*. Professor Krishnamurthy received his PhD from MIT.

**John Leahy**  
University of Michigan



John Leahy is the Allen Sinai Professor of Macroeconomics and Public Policy in the Economics Department and the Gerald R. Ford School of Public Policy at the University of Michigan.

His research has touched on a variety of topics. Some of these are the traditional focus of macroeconomics, such as the behaviour of inflation and optimal monetary policy, and others are more behavioural in nature, such as social learning, inattention, self-control and anticipatory utility.

Leahy currently serves as a Co-editor of the *American Economic Review* and is a former Editor of the *American Economic Journal: Macroeconomics*. He has served as a consultant at the Federal Reserve Banks of New York, Philadelphia and Kansas City. He has a Master of Science in Foreign Service from Georgetown University and a PhD in economics from Princeton University.

**Bartosz Maćkowiak**  
European Central Bank



Bartosz Maćkowiak is Senior Economist in the Monetary Policy Research Division of the ECB.

He holds a PhD in Economics from Yale University and a BA in Economics from Amherst College.

His research has been published in the *American Economic Review*, the *Review of Economic Studies*, the *Review of Economics and Statistics* and the *Journal of Monetary Economics*, among others.

## Alberto Martin

Centre de Recerca en Economia  
Internacional



Alberto Martin is currently a Senior Researcher at the CREI, an Adjunct Professor at Universitat Pompeu Fabra, a Research Professor at the Barcelona GSE and a Research Fellow at the CEPR. He is also a member of the Board of Editors of the *Review of Economic Studies* and an associate editor at the *Journal of International Economics*.

He has worked for International Monetary Fund, the Argentine Ministry of Economics and the United Nations Development Programme. He has been awarded the Fulbright Fellowship, the Lamfalussy Fellowship from the ECB and the Consolidator Research Grant from the European Research Council, among others. Alberto's research interests include macroeconomics, finance and international economics.

His work has appeared in the *American Economic Review*, the *Journal of Finance*, the *Journal of the European Economic Association* and the *Journal of International Economics*, among others. He holds a PhD in Economics from Columbia University.

**Emi Nakamura**  
Columbia University



Emi Nakamura is a Professor at the Graduate School of Business and the Department of Economics at Columbia University.

She holds a PhD from Harvard University and an AB from Princeton University. Her research focuses on monetary and fiscal policy, business cycles and macroeconomic measurement. She is an associate editor of several journals and will become a co-editor of the *American Economic Review* in January 2018. She is on the Congressional Budget Office's Panel of Economic Advisers, the Bureau of Labor Statistics Technical Advisory Committee and the American Economic Association's Committee on National Statistics. She has been a Visiting Professor at the University of Chicago, the MIT Economics Department, and numerous central banks.

She is a recipient of a National Science Foundation Career Grant, a Sloan Research Fellowship and the Elaine Bennett Research Prize and in 2014 was named by the IMF as one of the top "25 economists under 45".

**Monika Piazzesi**  
Stanford University, Graduate  
School of Business



Monika Piazzesi is the Joan Kenney Professor of Economics at Stanford University.

She is the Program Director of the NBER Asset Pricing Program, a Fellow of the Academy of Arts and Sciences and the Econometric Society and was a Guggenheim Fellow in 2015-16. During the years 2006-14, she was co-editor of the *Journal of Political Economy*. Prior to joining Stanford, she taught at the University of Chicago and UCLA.

She received the Elaine Bennett Research Prize and the Bernacer Prize for Research in Macroeconomics and Finance. She holds a Diploma in Economics from the University of Bonn and a PhD from Stanford. Her research focuses on the interaction between financial markets and the macroeconomy.



## Peter Praet

Member of the Executive Board,  
European Central Bank



Peter Praet joined the Executive Board of the European Central Bank in 2011.

Mr Praet gained a PhD in economics from the Université Libre de Bruxelles in 1980. He was Economist at the International Monetary Fund from 1978 to 1980, Professor of Economics at the Université Libre de Bruxelles from 1980 to 1987, Chief Economist of Générale de Banque and Fortis Bank from 1988 to 1999 and Chef de cabinet for the Belgian Minister of Finance from 1999 to 2000. From 2000 to 2011, he was Executive Director of the Nationale Bank van België/Banque Nationale de Belgique. Between 2002 and 2011, he was also a member of the Management Committee of the Belgian Banking, Finance and Insurance Commission, responsible for prudential policy for banking and insurance.

Mr Praet has served on several high-level international committees, including the Basel Committee on Banking Supervision, the Committee on Payment and Settlement Systems, the Committee on the Global Financial System and the European Banking Authority.

**Glenn Schepens**  
European Central Bank



Glenn Schepens is an Economist in the Financial Research Division at the ECB.

His primary research interests are financial intermediation, banking and financial regulation and supervision.

Before joining the ECB in September 2015, he worked in the research department of the National Bank of Belgium. He obtained a PhD in Economics at Ghent University in 2013. His work has been published in the *Journal of Financial Economics*, among others.

**Jeremy C. Stein**  
Harvard University



Jeremy C. Stein is the Moise Y. Safra Professor of Economics at Harvard University and serves on the Board of Directors of the Harvard Management Company.

From May 2012 to May 2014, he was a member of the Board of Governors of the Federal Reserve System. In 2009 he served as a senior advisor to the United States Treasury Secretary and on the staff of the National Economic Council.

Before going to Harvard in 2000, Stein served on the finance faculty of the Massachusetts Institute of Technology (MIT)'s Sloan School of Management for ten years, most recently as the J.C. Penney Professor of Management. Prior to that, he was an Assistant Professor of Finance at the Harvard Business School from 1987 to 1990. He received his BA in economics summa cum laude from Princeton University in 1983 and his PhD in economics from MIT in 1986.

## Kjetil Storesletten

University of Oslo and Norges Bank



Kjetil Storesletten is a Professor of Macroeconomics at the University of Oslo. He obtained a PhD in economics from Carnegie Mellon University in 1995. He has been Monetary Advisor at the Federal Reserve Bank of Minneapolis and Associate Professor at Stockholm University's Institute for International Economic Studies. He has served as Managing Editor and Chairman of the *Review of Economic Studies*. He is currently on the Board of Directors for the Norwegian oil fund (Norges Bank Investment Management) and a member of the Monetary Policy Committee at Norges Bank. He holds an Advanced Grant from the European Research Council and he is Vice-President of the European Economic Association.

Storesletten's work has appeared in journals such as the *Journal of Political Economy*, the *Quarterly Journal of Economics*, the *American Economic Review* and *Econometrica*. He and his co-author, Fabrizio Zilibotti, were the first two Europeans to receive the Sun Yefang Award from the Chinese Academy of Social Sciences (for the article "Growing Like China"). Storesletten is a Fellow of Econometric Society.

Laura Veldkamp  
New York University



Laura Veldkamp is a Professor of Economics at the New York University Stern School of Business and a Co-editor of the *Journal of Economic Theory*. Professor Veldkamp earned a BA in applied mathematics and economics from Northwestern University, and a PhD in economic analysis and policy from the Stanford Graduate School of Business. She is a faculty research fellow for the National Bureau of Economic Research and the Centre for Economic and Policy Research, and is frequently engaged by the Federal Reserve Banks of New York and Minneapolis to provide consultancy services. She is also the author of *Information Choice in Macroeconomics and Finance* (Princeton University Press).

Professor Veldkamp's research focuses on how individuals, investors and firms get their information, how that information affects the decisions they make and how those decisions impact on the macroeconomy and asset prices. Her recent work examines how people form beliefs about tail risk and how learning about tails, or disasters, can explain persistently low interest rates, volatile equity prices and secular stagnation.

Conference dates	25 and 26 September 2017
Conference venue	European Central Bank Sonnemannstrasse 20 60314 Frankfurt am Main Conference Room C5.01 and Press Room, Grossmarkthalle Tel.: +49 (0) 69 1344 0 Fax: +49 (0) 69 1344 6000 Email: <a href="mailto:info@ecb.europa.eu">info@ecb.europa.eu</a>
Conference language	English
Transfers	Participants are requested to arrange their own transfers from and to the airport, unless indicated otherwise
Conference dinner	25 September 2017, 19:30 – upon invitation only
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