

## European Central Bank Conference

# Key developments in monetary economics

Frankfurt, 29-30 October 2009

## Programme

### Thursday, 29 October 2009

- |                       |   |
|-----------------------|---|
| 8.30 a.m. - 9 a.m.    | Registration / coffee   |
| 9 a.m. - 9.15 a.m.    | <b>Opening address</b><br>Jean-Claude Trichet (President, European Central Bank)                                |
| 9.15 a.m. - 9.30 a.m. | <b>Introductory remarks</b><br>Benjamin Friedman (Harvard University)<br>Michael Woodford (Columbia University) |

### **SESSION ONE – OPTIMAL MONETARY POLICY**

Chair: Benjamin Friedman (Harvard University)

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|------------------------|---|
| 9.30 a.m. - 10.30 a.m. | <b>The optimal rate of inflation</b><br>Stephanie Schmitt-Grohé (Columbia University)<br><i>with Martin Uribe (Columbia University)</i> |
| Discussant:            | Pedro Teles (Banco de Portugal and Universidade Católica Portuguesa)  |

- 10.30 a.m. - 11.30 a.m.     **Monetary policy and unemployment**  
Jordi Galí (Centre de Recerca en Economia Internacional and Universitat Pompeu Fabra)  
Discussant: Christopher Pissarides (London School of Economics)
- 11.30 a.m. - 11.45 a.m.     Coffee
- 11.45 a.m. - 12.45 p.m.     **Inflation expectations, adaptive learning and optimal monetary policy**  
Frank Smets (European Central Bank)  
*with Vítor Gaspar (European Commission)*  
*and David Vestin (Sveriges Riksbank)*  
Discussant: Klaus Adam (Universität Mannheim)
- 12.45 p.m. - 2 p.m.         Lunch

## SESSION TWO – POLICY IMPLEMENTATION AND BANKS

Chair: Frank Smets (European Central Bank)

- 2 p.m. - 3 p.m.             **Implementation of monetary policy:  
how do central banks set interest rates?**  
Benjamin Friedman (Harvard University)  
*with Kenneth Kuttner (Williams College)*  
Discussant: Huw Pill (European Central Bank)
- 3 p.m. - 4 p.m.             **Financial intermediaries and monetary economics**  
Hyun Shin (Princeton University)  
*with Tobias Adrian (Federal Reserve Bank of New York)*  
Discussant: Xavier Freixas (Universitat Pompeu Fabra)
- 4 p.m. - 4.15 p.m.         Coffee

### SESSION THREE – OPEN ECONOMY

Chair: Frank Smets (European Central Bank)

4.15 p.m. - 5.15 p.m.

**Monetary policy in emerging market economies**

Jeffrey Frankel (Harvard University)

Discussant:

Olivier Blanchard (International Monetary Fund and Massachusetts Institute of Technology)

5.15 p.m. - 6.15 p.m.

**International dimensions of monetary policy: new directions**

Giancarlo Corsetti (European University Institute)

*with Luca Dedola (European Central Bank)*

*and Sylvain Leduc (Federal Reserve Bank of San Francisco)*

Discussant:

Pierpaolo Benigno (Libera Università Internazionale degli Studi Sociali Guido Carli)

7.30 p.m.

Keynote speech and dinner

Lucas Papademos (Vice-President, European Central Bank)

Friday, 30 October 2009

9 a.m. - 9.30 a.m.                      Registration / coffee

#### **SESSION FOUR – POLITICAL ECONOMY AND MONETARY POLICY REGIMES**

Chair: Michael Woodford (Columbia University)

9.30 a.m. - 10.30 a.m.            **The politics of monetary policy**  
Alberto Alesina (Harvard University)  
*with Andrea Stella (Harvard University)*

Discussant:                          Allan Drazen (University of Maryland)

10.30 a.m. - 11.30 a.m.        **Inflation targeting**  
Lars E.O. Svensson (Sveriges Riksbank & Stockholm University)  
Discussant:                          Athanasios Orphanides (Central Bank of Cyprus)

11.30 a.m. - 11.45 a.m.        Coffee

11.45 a.m. - 12.45 a.m.        **The performance of alternative monetary regimes**  
Laurence Ball (Johns Hopkins University)  
Discussant:                          Petra Geraats (University of Cambridge)

12.45 a.m. - 2 p.m.                Lunch

#### **SESSION FIVE – MODELS FOR MONETARY POLICY ANALYSIS**

Chair: Oreste Tristani (European Central Bank)

2 p.m. - 3 p.m.                    **DSGE models for monetary policy**  
Lawrence Christiano (Northwestern University)  
*with Mathias Trabandt (European Central Bank and Sveriges Riksbank)*  
*and Karl Walentin (Sveriges Riksbank)*

Discussant:                          Volker Wieland (Goethe-Universität Frankfurt am Main)

3 p.m. - 4 p.m.	<b>Inflation persistence</b> Jeffrey Fuhrer (Federal Reserve Bank of Boston)
Discussant:	Raf Wouters (Nationale Bank van België/Banque Nationale de Belgique)
4 p.m. - 4.15 p.m.	Coffee
4.15 p.m. - 5.15 p.m.	<b>Monetary policy regimes and economic performance: the historical record, 1979-2008</b> Charles Goodhart (London School of Economics) <i>with Luca Benati (European Central Bank)</i>
Discussant:	Lucrezia Reichlin (London Business School)
5.15 p.m.	End of conference

*For each paper, the author has 30 minutes and the discussant 15 minutes, with a further 15 minutes allocated for general discussion.*

Organisers:

Benjamin Friedman (Harvard University)  
Frank Smets (European Central Bank)  
Oreste Tristani (European Central Bank)  
Michael Woodford (Columbia University)