

# Growth and Business Cycles in Theory and Practice

## 20<sup>th</sup> –21<sup>st</sup> June 2002, Chancellors, University of Manchester

### Conference Programme

(Papers can be downloaded from: <http://www.ses.man.ac.uk/cgbc/prog2002.htm>)

Time	Thursday 20 <sup>th</sup> June	Time	Friday 21 <sup>st</sup> June
9.00 – 11.00	Registration	10.00 – 11.00	Parallel Session 3
11.00 – 11.30	Coffee Break	11.00 – 11.15	Coffee Break
11.30 – 12.30	Chair: Keith Blackburn Welcome Talk 1: <b>John Driffill</b> ‘Finance and Growth’	11.15 – 12.45	Chair: Ian Garrett Talk 3: <b>Lucrezia Reichlin</b> ‘Identifying macroeconomic shocks and propagation mechanisms from large panels of time series’ Talk 4: <b>Alann Timmermann</b> ‘Nonlinear dynamics in UK stock returns: Econometric modelling and asset allocation implications’ (joint with Massimo Guidolin)
12.30 – 1.30	Lunch	12.45 – 1.30	Lunch
1.30 – 3.00	Parallel Session 1	1.30 – 3.00	Parallel Session 4
3.00 – 3.30	Tea Break		
3.30 – 5.00	Parallel Session 2		
5.15-6.00	Chair: Paul Madden Talk 2: <b>Charlie Bean</b> ‘Financial Frictions and the Monetary Transmission Mechanism: Theory, Evidence and Policy Implications’ (joint with Jens Larsen and Kalin Nikolov)		
7.00 – 8.00	Dinner		

Speakers are indicated by bold type. All the above main talks will be held in the Flowers Lecture Theatre. Parallel Sessions will be held in the rooms indicated below.

We are grateful for financial support for the conference from the Bank of England.

**Parallel Session 1: Thursday 20<sup>th</sup> June 2002, 1.30-3pm**

<p><b>Theory: Real and Nominal Shocks</b></p> <p><b>Chair: John Fender</b></p> <p><b>Room: Griffiths</b></p>	<p><b>Empirical: European Business Cycles</b></p> <p><b>Chair: Alberto Musso</b></p> <p><b>Room: Morley</b></p>
1) <b>Leao</b> , 'A Dynamic General Equilibrium Model with Technological Innovations in the Banking Sector'	1) <b>Carrington</b> , 'A divided Europe? Regional Convergence and Neighbourhood Spillover Effects'
2) <b>Evans</b> and <b>Kenc</b> , 'Real and Nominal Shocks: A Welfare and Growth Analysis'	2) <b>Aguiar</b> and <b>Martins</b> , 'Trend, Cycle and Nonlinear Trade-off in the Euro Area 1970-2001'
3) <b>Fender</b> and <b>Rankin</b> , 'A Small Open Economy With Staggered Wage Setting and Intertemporal Optimisation'	3) <b>Musso</b> , <b>Proietti</b> and <b>Westermann</b> , 'Estimated Potential Output and the Output Gap for the Euro Area'

**Parallel Session 2: Thursday 20<sup>th</sup> June 2002, 3.30-5pm**

<p><b>Theory: Population and Distribution</b></p> <p><b>Chair: Andreas Schäfer</b></p> <p><b>Room: Griffiths</b></p>	<p><b>Empirical: Business Cycle Convergence</b></p> <p><b>Chair: Ayhan Kose</b></p> <p><b>Room: Morley</b></p>
1) <b>Das</b> and <b>Ghate</b> , 'Endogenous Distribution, Politics and Growth'	1) <b>Harvey</b> and <b>Carvalho</b> , 'Models for Converging Economies'
2) <b>Schäfer</b> , 'Endogenous Growth with Endogenous Fertility and Social Discrimination in Education'	2) <b>Gatsios</b> , <b>Kollintzas</b> and <b>Levasseur</b> , 'Traded and Non-traded Goods and the Transmission of Shocks across EU Countries'
3) <b>Trionfetti</b> , 'Debt, Deficits and Mobile Tax Payers' paper withdrawn	3) <b>Kose</b> and <b>Yi</b> , 'The Trade Comovement Problem in International Macroeconomics'

**Parallel Session 3: Friday 21<sup>st</sup> June 2002, 10-11am**

<p align="center"><b>Theory: Finance and Governance</b>  <b>Chair: Salvatore Capasso</b>  <b>Room: Griffiths</b></p>	<p align="center"><b>Empirical: Real Exchange Rate Models</b>  <b>Chair: Pablo Mejía-Reyes</b>  <b>Room: Morley</b></p>
<p>1) <b>Haque</b>, ‘A Model of Corruption and Growth’</p>	<p>1) <b>Bjørnland</b>, ‘Sources of Real Exchange Rate Fluctuations in Developing Countries: Venezuela’</p>
<p>2) <b>Capasso</b>, ‘Bankruptcy Costs, Dilution Costs and Stock Market Development’</p>	<p>2) <b>Mejía-Reyes</b>, Osborn and Sensier, ‘Real Exchange Rate Effects on Business Cycles in Latin America’</p>

**Parallel Session 4: Friday 21<sup>st</sup> June 2002, 1.30-3pm**

<p align="center"><b>Theory: Public Policy and The Environment</b>  <b>Chair: Susanne Soretz</b>  <b>Room: Griffiths</b></p>	<p align="center"><b>Empirical: Business Cycle Volatility Models and Seasonality</b>  <b>Chair: Dick van Dijk</b>  <b>Room: Morley</b></p>
<p>1) <b>Ghosh</b> and Roy, ‘On Endogenous Growth and Welfare with Public Capital and Public Services’</p>	<p>1) <b>Cunningham</b>, ‘The Distributional Heterogeneity of Growth Effects: some evidence’</p>
<p>2) <b>Ott</b> and Soretz, ‘Optimal Taxation in a Stochastic Endogenous Growth Model’</p>	<p>2) <b>Silva Lopes</b>, ‘Deterministic Seasonality in Dickey Fuller Tests: should we care?’</p>
<p>3) <b>Soretz</b>, ‘Stochastic Pollution in an Endogenous Growth Model: Environmental Care and Optimal Fiscal Policy’</p>	<p>3) <b>van Dijk</b>, Osborn and Sensier, ‘Changes in the Variability of the Business Cycle in the G7 Countries’</p>