



# Workshop in Honor of Stephen J. Turnovsky

## May 20 – 22, 2010

### IHS Vienna

Sponsors:

- Institute for Advanced Studies, Vienna
- Society for Computational Economics
- Austrian Federal Ministry of Science

Location: Institute for Advanced Studies, Stumpergasse 56, A-1060 Vienna, Austria

Organizers: Walter H. Fisher, IHS Vienna ([fisher@ihs.ac.at](mailto:fisher@ihs.ac.at)) and  
Kenneth M. Kletzer, UC Santa Cruz ([kkletzer@ucsc.edu](mailto:kkletzer@ucsc.edu))

### **BASIC INFORMATION**

For the information regarding the workshop logistics, please contact Ms. Marion Kelemen at  
Department of Economics and Finance  
Institute for Advanced Studies (IHS)  
Stumpergasse 56, A-1060 Vienna, Austria  
**Tel.: +43 (1) 59991-145      Fax: +43 (1) 59991-163      e-mail: [mkelemen@ihs.ac.at](mailto:mkelemen@ihs.ac.at)**

**Accommodation:** Please inform Marion of if you have further questions about your accommodation matters.

**InterCity Hotel** <http://intercityhotel-wien.h-rez.com/>  
Mariahilfer Strasse 122 (entrance at Kaiserstrasse 5)  
1070 Vienna / Austria  
Tel.: +43 (1) 525 85 123  
Fax: +43 (1) 525 85 111  
[reservierung@wien.intercityhotel.at](mailto:reservierung@wien.intercityhotel.at)

### **How to get to the IHS/Intercity Hotel:**

- **Info on the Web** (< link to time schedule and other information)
- **Taxi:** will costs you approximately €30 - €35
- **Train:** Take either the S7 or the City Airport Train (CAT), then get off at the "Wien-Mitte City" station. Then take the U3 subway to the Westbahnhof stop. From the Westbahnhof, walk 5 minutes in the direction of the "Mariahilfer Strasse".
- **Bus:** Take the bus that goes to the "Westbahnhof".

**Thursday, May 20, 2010, 7:30 p.m.:**  
Reception at **"Plutzerbräu"** (Schranggasse 2, 1070 Wien)

# PROGRAM

**Thursday, May 20, 2010**

<b>08:30</b>	<b>REGISTRATION</b>
<b>08:45</b>	<b>WORKSHOP INTRODUCTION</b>
<b>09:00 – 09:30</b>	<b>Daniel R. Carroll, FRB Cleveland</b> <u>Paper:</u> “The Long-Run Effects of Changes in Tax Progressivity” (with Eric R. Young)
<b>09:30 – 09:45</b>	<u>Discussant:</u> Timo Trimborn, University of Hannover
<b>09:45 – 10:00</b>	<b>COFFEE BREAK</b>
<b>10:00 – 10:30</b>	<b>Mauro Bambi, University of York</b> <u>Paper:</u> “Unifying Time-to-Build Theory” (with Franco Gori)
<b>10:30 – 10:45</b>	<u>Discussant:</u> Stefan Schubert, Free University of Bozen-Bolzano
<b>10:45 – 11:00</b>	<b>COFFEE BREAK</b>
<b>11:00 – 11:30</b>	<b>Francisco Alvarez-Cuadrado, McGill University</b> <u>Paper:</u> “The Relative Income Hypothesis” (with Ngo Van Long)
<b>11:30 – 11:45</b>	<u>Discussant:</u> Franz X. Hof, Vienna University of Technology
<b>11:45 – 12:00</b>	<b>COFFEE BREAK</b>
<b>12:00 – 12:30</b>	<b>Marco P. Tucci, Università di Siena</b> <u>Paper:</u> “Expected Optimal Feedback with Time-Varying Parameters” (with Hans M. Amman and David A. Kendrick)
<b>12:30 – 12:45</b>	<u>Discussant:</u> Michael Reiter, Institute for Advanced Studies, Vienna
<b>12:45 – 14:00</b>	<b>LUNCH</b>
<b>14:00 – 14:30</b>	<b>Olaf Posch, Aarhus University and CREATES</b> <u>Paper:</u> “Risk Premia in General Equilibrium”
<b>14:30 – 14:45</b>	<u>Discussant:</u> Tamás Papp, Institute for Advanced Studies, Vienna
<b>14:45 – 15:00</b>	<b>COFFEE BREAK</b>

<b>15:00 – 15:30</b>	<b>Phil Brock, University of Washington</b> <u>Paper:</u> “The Balassa-Samuelson Hypothesis Through the Lens of the Dependent Economy Model”
<b>15:30 – 15:45</b>	<u>Discussant:</u> Partha Sen, Delhi School of Economics
<b>15:45 – 16:00</b>	<b>COFFEE BREAK</b>
<b>16:00 – 16:30</b>	<b>Cecilia García-Penalosa, Greqam and CNRS</b> <u>Paper:</u> “Cities and the Industrial Revolution”, (with Liam Brunt)
<b>16:30 – 16:45</b>	<u>Discussant:</u> Fidel Perez-Sebastian, University of Alicante
<b>16:45 – 17:00</b>	<b>COFFEE BREAK</b>
<b>17:00 – 17:45</b>	<b>Keynote Speaker: Chris Papageorgiou, IMF</b> (Sponsored by the <i>Society of Computational Economics</i> ) <u>Paper:</u> “A Unified Theory of Structural Change” (with María Dolores Guilló and Fidel Perez-Sebastian)
<b>17:45 – 18:00</b>	<u>Discussant:</u> Gerhard Sorger, University of Vienna
<b>19:30</b>	<b>DINNER at “Plutzerbräu”</b> (Schrankgasse 2, 1070 Wien, <a href="http://www.plutzerbraeu.at/index.php?lang=en">http://www.plutzerbraeu.at/index.php?lang=en</a> )

### **Friday, May 21, 2010**

<b>08:45</b>	<b>REGISTRATION</b>
<b>09:00 – 09:30</b>	<b>John Pitchford, Australian National University</b> <u>Paper:</u> “Anatomy of Inflation”
<b>09:30 – 09:45</b>	<u>Discussant:</u> Wolfgang Schwarzbauer, Institute for Advanced Studies, Vienna
<b>09:45 – 10:00</b>	<b>COFFEE BREAK</b>
<b>10:00 – 10:30</b>	<b>Maria Demertzis, De Nederlandsche Bank</b> <u>Paper:</u> “Confidence in Monetary Policy” (with Yakov Ben-Haim)
<b>10:30 – 10:45</b>	<u>Discussant:</u> Markus Knell, OeNB
<b>10:45 – 11:00</b>	<b>COFFEE BREAK</b>

11:00 – 11:30	<b>Ben J. Heijdra, University of Groningen and Institute for Advanced Studies, Vienna</b> <u>Paper:</u> “The Environmental and Macroeconomic Effects of Socially Responsible Investment” (with Lammertjan Dam)
11:30 – 11:45	<u>Discussant:</u> Alexia Fürnkranz-Prskawetz, Vienna University of Technology
11:45 – 12:00	<b>COFFEE BREAK</b>
12:00 – 12:45	<b>Keynote Speaker: Joshua Aizenman, UCSC</b> (Sponsored by the <i>Society of Computational Economics</i> ) <u>Paper:</u> “Hoarding International Reserves versus Pigovian Tax-cum-Subsidy Scheme: Reflections on the Deleveraging Crisis of 2008-9, and a Cost-Benefit Analysis”
12:45 – 13:00	<u>Discussant:</u> Dale Henderson, Georgetown University
13:00 – 14:30	<b>LUNCH</b>
14:30 – 15:00	<b>Partha Sen, Delhi School of Economics</b> <u>Paper:</u> “The Impossible Trinity and Krugman’s Balance of Payments Crisis Model”
15:00 – 15:15	<u>Discussant:</u> Joshua Aizenman, UCSC
15:15 – 15:30	<b>COFFEE BREAK</b>
15:30 – 16:00	<b>Earl Grinols, Baylor University</b> <u>Paper:</u> “Patent Replacement and Welfare Gains” (with Hwan C. Lin)
16:00 – 16:15	<u>Discussant:</u> Chris Papageorgiou, IMF
16:15 – 16:30	<b>COFFEE BREAK</b>
16:30 – 17:00	<b>Peter Lloyd, University of Melbourne</b> <u>Paper:</u> “Partial and General Equilibrium Measures of Trade Restrictiveness” (with Donald MacLaren)
17:00 – 17:15	<u>Discussant:</u> Geoffrey Kingston, Macquarie University, Australia
17:15 – 17:30	<b>COFFEE BREAK</b>
17:30 – 18:00	<b>Michele Berardi, University of Manchester</b> <u>Paper:</u> “Real-Time, Adaptive Learning via Parameterized Expectations” (with John Duffy)
18:00 – 18:15	<u>Discussant:</u> Viktor Dorofeenko, Institute for Advanced Studies, Vienna
20:00	<b>DINNER at “Glacis Beisl”</b> (Museumsquartier, access Breitegasse 4, Museumsplatz 1, 1070 Wien, <a href="http://www.glacisbeisl.at">http://www.glacisbeisl.at</a> )

## Saturday, May 22, 2010

<b>08:45</b>	<b>REGISTRATION</b>
<b>09:00 – 09:30</b>	<b>Robert Kollmann, ECARES</b> <u>Paper</u> : “Banks and the Domestic and International Propagation of Macroeconomic and Financial Shocks”
<b>09:30 – 09:45</b>	<u>Discussant</u> : Charles Engel, University of Wisconsin
<b>09:45 – 10:00</b>	<b>COFFEE BREAK</b>
<b>10:00 – 10:30</b>	<b>Marcelo Bianconi, Tufts University</b> <u>Paper</u> : “Intertemporal Budget Policies and Macroeconomic Adjustment in Indebted Open Economies, (with Walter H. Fisher)”
<b>10:30 – 10:45</b>	<u>Discussant</u> : Ben J. Heijdra, University of Groningen and Institute for Advanced Studies, Vienna
<b>10:45 – 11:00</b>	<b>COFFEE BREAK</b>
<b>11:00 – 11:30</b>	<b>Stefan Schubert, Free University of Bozen-Bolzano</b> <u>Paper</u> : “The Effects of a Global Financial Crisis on a Small Open Economy with Unemployment”
<b>11:30 – 11:45</b>	<u>Discussant</u> : Philip L. Brock, University of Washington
<b>11:45 – 12:00</b>	<b>COFFEE BREAK</b>
<b>12:00 – 12:30</b>	<b>Timo Trimborn, University of Hannover</b> <u>Paper</u> : “Anticipated Tax Reforms and Temporary Tax Cuts: A General Equilibrium Analysis”, (with Holger Strulik)
<b>12:30 – 12:45</b>	<u>Discussant</u> : Daniel R. Carroll, FRB Cleveland
<b>12:45 – 14:00</b>	<b>LUNCH</b>
<b>14:00 – 14:30</b>	<b>Jagjit S. Chadha, University of Kent</b> <u>Paper</u> : “Consumption Dynamics, Housing Collateral and Stabilisation Policy” (with Germana Corrado and Luisa Corrado)
<b>14:30 – 14:45</b>	<u>Discussant</u> : Eric Young, University of Virginia
<b>14:45 – 15:00</b>	<b>COFFEE BREAK</b>

<b>15:00 – 15:30</b>	<b>Santanu Chatterjee, University of Georgia</b> <u>Paper:</u> “Infrastructure Provision and Macroeconomic Performance” (with AKM Mahbub Morshed)
<b>15:30 – 15:45</b>	<u>Discussant:</u> Francisco Alvarez-Cuadrado, McGill University, Montréal
<b>15:45 – 16:00</b>	<b>COFFEE BREAK</b>
<b>16:00 – 16:30</b>	<b>Ingrid Ott, Karlsruhe Institute of Technology (KIT) and Kiel Institute for the World Economy (IfW)</b> <u>Paper:</u> “On the Role of Productive Governmental Spendings and Convergence in a Growing Economy with Heterogenous Specialists” (with Susanne Soretz)
<b>16:30 – 16:45</b>	<u>Discussant:</u> Santanu Chatterjee, University of Georgia
<b>16:45 – 17:00</b>	<b>COFFEE BREAK</b>
<b>17:00 – 17:30</b>	<b>Aurélien Eyquem, GATE, Université de Lyon</b> <u>Paper:</u> “Ramsey Policies in a Small Open Economy with Sticky Prices and Capital” (with Stéphane Auray and Beatriz de Blas)
<b>17:30 – 17:45</b>	<u>Discussant:</u> Cecilia García-Penalosa, Greqam and CNRS
<b>17:45</b>	<b>Stephen J. Turnovsky: closing remarks</b>

There is **no registration** fee. Selected papers from the conference will be **published** in a special issue of ***Journal of Economic Dynamics and Control***.

There will be presentations of 30 minutes each during the three days, followed by 15 minutes to discuss each paper. The **conference venue** is Lecture Hall II (HS II, ground floor) at the Institute for Advanced Studies, Stumpergasse 56, A-1060 Vienna. If you arrive by plane, there is a very convenient bus service from the airport to “Westbahnhof” (the Western railway station) that drops you within walking distance from the conference venue.

To book **accommodation** in a nearby hotel, please contact Ms. Marion Kelemen at

[mkelemen@ihs.ac.at](mailto:mkelemen@ihs.ac.at)

and let her know your preferences (single or double room, etc.) and any dietary restrictions that you may have. Early booking is essential, because Vienna is a very busy tourist destination. The program above is based on the selected papers.