



€ABCN
Euro Area Business Cycle Network

Submission Deadline: 06 April 2009

9th Euro Area Business Cycle Network Training School: Incorporating Financial Factors within Macroeconomic Modelling and Policy Analysis

**London, 1-3 July 2009
Hosted by the Bank of England**

Organiser: Andrew Scott (London Business School and CEPR)

General Description

We are pleased to announce details of the 9th EABCN Training School, a three-day course entitled "Incorporating Financial Factors within Macroeconomic Modelling and Policy Analysis".

Professor Mark Gertler will teach the course. It is primarily aimed at participants in the Euro Area Business Cycle Network, but applications will also be considered from doctoral students, post-doctoral researchers and economists working in central banks and government institutions outside of the network as well as commercial organisations (fees applicable for non-network organisations).

Course Detail

While there has been considerable progress in quantitative macroeconomic modelling, most of the work in this area assumes that financial markets function perfectly and that financial institutions are merely a veil over real activity. To address the current crisis from both a positive and normative perspective, accordingly, it is necessary to integrate the relevant frictions in capital markets within contemporary macroeconomic analysis. The objective of this course is to describe the work that has been done to date in this area and also to characterize what is left to do.

The course will begin by discussing the micro-foundations of capital market frictions that give rise to key phenomena such as the external finance premium, balance sheet constraints on borrowing, and liquidity shortages. We will then move to general equilibrium and describe the financial accelerator, a theory of feedback between the financial and real sectors. Along the way we will discuss how financial institutions fit into the picture. We will then integrate the approach into a contemporary quantitative business cycle model and discuss the implications both for how the model captures the data and for policy analysis. In addition to discussing the implications for conventional monetary policy (i.e. interest rate setting), we will also analyze non-conventional monetary policies, e.g. direct credit market interventions, etc. Finally, we will extend the analysis to the open economy and consider the implications for sudden stops and for the appropriate policy response to these kinds of phenomena.

Administrative Information

The course will take place at the Bank of England, London, and the participants will be invited to make their own arrangements regarding their accommodation and meals. Further information regarding hotel options and the training school will be made available to applicants. Candidates should fill in the enclosed form and return it to CEPR's Meetings Assistant, Anggreini Kasanan (akasanan@cepr.org) by **18:00 GMT on 06 April 2009**. **We ask that you send a current version of your CV with your application.** EABCN gratefully acknowledges the generous provision of facilities by Bank of England for this course.

About the Instructor

Professor Mark Gertler holds a PhD from Stanford University. He was Assistant Professor at Cornell University and Associate Professor at University of Wisconsin and since 1990 Professor at New York University. He is Research Associate of the NBER, co-editor of American Economic Review and Associate Editor of leading economics journals.

Yours sincerely

Andrew Scott
Chair of the EABCN Scientific Committee



9th Euro Area Business Cycle Network Training School

Bank of England, London

Professor Mark Gertler, 1-3 July 2009

Application Form

Name/First name:

Institution:

Address:

E-mail address:

Phone:

Fax:

Application deadline: 06 April 2009

Date:

Signature:

PLEASE NOTE: Please include a current CV with your application

All central bank applicants are expected to cover their own travel and accommodation costs. If you are not a central bank applicant and require travel and/or accommodation funding, please indicate: YES / NO

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