

Micro Foundations for Macro Finance
CEPR-CIFRA workshop
Amsterdam, 8-9 June

We plan a focused workshop on better micro foundations for macro finance research. The aim is to brainstorm on methodological issues. We envision a maximum of 15 researchers from both the US and Europe, with space for a few listeners. It will be over a weekend, ending with lunch Sunday. We meet at a lovely Amsterdam location on a historical canal.

We do not wish to have individual paper presentations. The debate will be led by a series of short presentations, or rather “provocations”, followed and interrupted by open debate. Discussion leaders should offer a synthesis of general modeling issues, thus not specific solutions. They ideally should hint at possible developments for future and offer some building blocks without burden of proof. A goal is to avoid taking DSGE modeling as a starting point and fit financial frictions into it, and rather start from first principles. How can micro-models of financial intermediation be aggregated up to provide new workhorse models for macro-finance?

Whenever relevant, public policy issues should be considered from both positive and normative standpoints.

Organizers

Viral Acharya, NYU Stern and
Enrico Perotti, UVA

Logistics:

1. CEPR and UVA will cover economy-class travel, accommodation and meals in the conference dates.
2. We will be in touch with discussion leaders on the final title for your talk and, to an extent, its content. This is not to constrain or direct in any way, but to ensure we cover the bases of open issues that would be worthwhile for us to discuss. Please let us know some good times to discuss during the next weeks.
3. We will create a website for the workshop with presentations of talks and publish a short summary of the workshop’s conclusions and key takeaways for further research. We will prepare this summary and circulate to you for approval of remarks concerning each presenter’s talk.

Program

Brainstorming themes and discussion leaders

(NB: discussion leaders are only to lead the start of the brainstorming session, each lasting up to 1 hour and 20 minutes)

June 8th

From 9:00

Arvind Krishnamurthy – Frictions in Macro Finance

Markus Brunnermeier – Maturity Transformation (TBC)

Nina Boyarchenko – Macro Implications of Pro-cyclical Leverage

Lunch (when we finish)

Alberto Bisin – Default in Macro Finance and DSGE models

Wouter den Haan – Renouncing Stationarity in Endogenous Risk Modeling

Dinner

June 9th

From 9:00

Martin Schneider – Composition of Lending Booms

Matteo Maggiori – Reserve Currencies and International Finance

Viral Acharya – Systemic Sovereign Risk

Lunch - Adjourn

Other Participants: Giancarlo Corsetti (TBC), Enrico Perotti, Helene Rey, Javier Suarez, Tyler Muir, Frederic Malherbe, Vania Stavrakeva, Saki Bigio (TBC), some European doctoral students and junior researchers