Business Cycles, Financial markets, and Monetary Policy

With Special Applications to China

August 30-31, Beijing, China

September 1-2 (post-conference activities, Optional)

Sponsors:
European Central Bank,
Tsinghua University,
Federal Reserve Bank of San Francisco,
Shanghai Advanced Institute of Finance (SAIF),
Northwestern University, and
Federal Reserve Bank of Atlanta

Location:
SAIF Beijing,
2F, South Tower, Financial Street Center, 9 Financial Street, Beijing, China.

Organizers:
Martin Eichenbaum (eich@northwestern.edu) and Tao Zha (zmail@tzha.net).

Contact information for logistics:
Wenna (Karen) Zhong (w nzhong@saif.sjtu.edu.cn).

Summary:
- Opening and closing remarks: 15 minutes each.
- 10 papers: for each paper, 40-min presentation, 10-min discussion, and 10-min open-floor Q&As.
- Panel policy discussions: for each speaker, 20-min presentation and 20-min open-floor Q&As.
- All post-conference activities are open to all participants on a voluntary basis. Therefore, travel, hotel and personal expenses are not covered by the conference.
Tuesday, August 30, 2016

8:45-9:00am  Opening Remarks  
Chong-En Bai, Tsinghua University

Session 1: Growth in China  
Chair: Bernd Schnatz, European Central Bank

9:00-10:00am  Firm Entry and Regional Growth Disparities: the Effect of SOEs in China  
Loren Brandt, University of Toronto  
Gueorgui Kambourov, University of Toronto  
Kjetil Storesletten, University of Oslo  
Discussant:  
Min Ouyang, Tsinghua University

10:00-10:15am  Coffee Break

10:15-11:15am  Institutional Foundations of China's Growth and Slowdown  
Chong-En Bai, Tsinghua University  
Chang-Tai Hsieh, University of Chicago  
Zheng Song, Chinese University of Hong Kong  
Discussant:  
John Fernald, Federal Reserve Bank of San Francisco

11:15-12:15pm  The Making of an Economic Superpower-Unlocking China’s Secret of Rapid Industrialization  
Yi Wen, Federal Reserve Bank of St. Louis  
Discussant:  
Nancy Qian, Yale University

12:15-2:00pm  Lunch  
Keynote Speech  
Klaus Masuch, European Central Bank  
Structural reforms – A European perspective
Session 2: Monetary policy in China
Chair: Qing Liu, Tsinghua University

2:00-3:00pm  China’s Pro-Growth Monetary Policy and its Asymmetric Transmission
Kaiji Chen, Emory University
Patrick Higgins, Federal Reserve Bank of Atlanta
Daniel Waggoner, Federal Reserve Bank of Atlanta
Tao Zha, Federal Reserve Bank of Atlanta
Discussant:
Bing Li, Tsinghua University

3:00-4:00pm  Reserve Requirements and Optimal Chinese Stabilization Policy
Chun Chang, Shanghai Advanced Institute of Finance
Zheng Liu, Federal Reserve Bank of San Francisco
Mark Spiegel, Federal Reserve Bank of San Francisco
Jingyi Zhang, Shanghai Advanced Institute of Finance
Discussant:
Alistair Dieppe, European Central Bank

4:00-4:15pm  ******** Coffee Break ********

Session 3: Income inequality in China
Chair: Bing Li, Tsinghua University

4:15-5:15pm  Income and Consumption Inequality in China
Haiyan Ding, Shanghai University of Finance and Economics
Hui He, International Monetary Fund
Discussant:
Lei Fang, Federal Reserve Bank of Atlanta

7:00-9:00pm  ******** Dinner ********
Wednesday, August 31, 2016

Session 4: Financial Markets
Chair: Livio Stracca, European Central Bank

9:00-10:00am  Empirical Determinants of Exchange Rates
Martin Eichenbaum, Northwestern University
Ben Johannsen, Board of Governors of the Federal Reserve System
Sergio Rebelo, Northwestern University
Discussant:
Oreste Tristani, European Central Bank

10:00-11:00am  Impact of Securitization on Commodity Price Volatility
Lawrence Christiano, Northwestern University
Discussant:
Anastasios Karantounias, Federal Reserve Bank of Atlanta

11:00-11:15am  ******** Coffee Break ********

Session 5: The Economy at the Zero Lower Bound
Chair: Jun Liu, Shanghai Advanced Institute of Finance (SAIF)

11:15-12:15pm  Capital Flows and Global Imbalances at the ZLB
Ricardo J. Caballero, Massachusetts Institute of Technology (MIT)
Emmanuel Farhi, Harvard University
Pierre-Olivier Gourinchas, University of California, Berkeley
Discussant:
Meixin Guo, Tsinghua University

12:15-2:00pm  ******** Lunch ********
Keynote Speech
Shang-Jin Wei, Asian Development Bank
Can China Transition to a More Innovative Economy?
Session 6: Banking and Credit
Chair: Jun Qian, Shanghai Advanced Institute of Finance (SAIF)

2:00-3:00pm  Do Banks Pass Through Credit Expansions to Households that Want to Borrow?
Sumit Agarwal, National University of Singapore
Souphala Chomsisengphet, Office of the Comptroller of the Currency
Neale Mahoney, University of Chicago
Johannes Stroebel, New York University
Discussant:
Feng Dong, Shanghai Jiao Tong University

3:00-3:15pm  ******** Coffee Break ********

3:15-5:15pm  Policy Panel Discussions: International Monetary Policy
Moderator:
Martin Eichenbaum, Northwestern University

Presentation: International Monetary Policy
Yudong Yao, Director of Research Department, People’s Bank of China

Panelists:
Peter Praet    Executive Board Member, European Central Bank
Presentation: Financial Cycles and Monetary Policy
Charles Evans    President, Federal Reserve Bank of Chicago
Presentation: Are Low Monetary Policy Rates the New Normal?
Eric Rosengren    President, Federal Reserve Bank of Boston
Presentation: Observations on Financial Stability Concerns for Monetary Policymakers
Yiping Huang, Member of Monetary Policy Committee, PBOC, Professor of Economics, Peking University

5:15-5:30pm  Concluding Remarks
David Altig, Federal Reserve Bank of Atlanta

7:00-9:00pm  ******** Dinner ********
Post-conference activities (optional)

Please note that all post-conference activities are open to all participants on a voluntary basis. Therefore, travel, hotel and personal expenses are not covered by the conference.

Thursday, September 1, 2016

Recent development and Challenge of China’s Fin-tech and Payment System

- The purpose is to learn the consequences of the fast growing activities in China’s internet banking, how China’s regulators have dealt with them, and what are the next steps.
- These macro and financial issues have become increasingly important in China.

Location:
SAIF Beijing,
2F, South Tower, Financial Street Center, 9 Financial Street, Beijing, China.

Time: 9:00am – 2:30pm

Speakers:
Yudong Yao  Director of Research Department, People’s Bank of China
Long Chen  Chief Strategist, Ant Financial Services Group (the Financial Arm of Alibaba)
Jinlao Huang  Executive Vice President, Suning Financial Group
Naisheng Yao  Vice President, JD Finance Co., Ltd
Ye Zhou  CEO, ChinaPnR Co., Ltd
Jie Hu  Professor of Practice, Shanghai Advanced Institute of Finance
Friday, September 2, 2016

Sightseeing in Beijing to understand the past and present of China, there are four alternatives:
(1) Great Wall and Summer Palace;
(2) National museum and Capital museum;
(3) Tian’anmen Square, the Forbidden City and the Temple of Heaven
(4) Forbidden City, Water Cube and Bird Nest
## Participants List (Alphabetical)

<table>
<thead>
<tr>
<th>Name</th>
<th>Institution</th>
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<tr>
<td>David Altig</td>
<td>Federal Reserve Bank of Atlanta</td>
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