



# Advanced Workshop For Central Bankers

September 7-14, 2010

Northwestern University  
Evanston, IL

Calvo  
Christiano  
Eichenbaum  
Gertler  
Hall  
Kashyap  
Rajan  
Rebelo  
Sargent  
Stock  
Woodford



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This annual week-long workshop for central bank economists has two objectives. First, to expose participants to frontier models and techniques in monetary economics. Second, to foster discussion and exchange of ideas about applied monetary policy problems faced by different central banks.

The week is organized around lectures and computer-based assignments.

The workshop has been held annually since 2005. So far the workshop was attended by more than 200 participants from 33 central bank institutions (Austria, Bangladesh, Brazil, Belgium, Canada, Costa Rica, Denmark, Finland, France, Greece, Iceland, India, Italy, Israel, Japan, Korea, Malaysia, Mexico, the Netherlands, Norway, Poland, Slovakia, Spain, South Africa, Sweden, Switzerland, Uruguay, as well as the European Central Bank, the Federal Reserve Banks of Atlanta, Boston, Cleveland, and Dallas, the Bank of International Settlements, and the International Monetary Fund).



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## Course Lectures

The workshop includes six three-hour course lectures on the following topics.

### Empirical Methods in Monetary Economics, Martin Eichenbaum

Alternative techniques to estimate and empirically evaluate models of the monetary transmission mechanism: (i) structural VARs identified with short run restrictions, long run restrictions, and sign restrictions; (ii) fitting dynamic models to impulse response functions; (iii) maximum likelihood methods.

### Specification, Estimation, and Analysis of Monetary Models, Lawrence Christiano

Structural monetary models: the role of different frictions, such as sticky wages, sticky prices, working capital, and credit market imperfections. The use of Bayesian and other methods to estimate models and a review of recent developments in the use of models in the monetary policy process.

### Monetary Policy and Credit Markets, Anil Kashyap

Modeling capital market imperfections, particularly the role of banks in the transmission of monetary policy. Review of micro and macro empirical evidence, with emphasis on cross-country comparisons and institutional constraints.

### Open Economy Models, Sergio Rebelo

Parity conditions in dynamic open economy models. Empirical evidence on sources of real exchange rate (RER) fluctuations. Modeling RER fluctuations. An empirical analysis of the failure of uncovered interest parity (UIP). Modeling deviations from UIP.



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## Special-topic Lectures

**Lecture 1:** Lessons from the financial crisis, Robert Hall (Stanford University)

**Lecture 2:** Credit frictions and monetary policy, Michael Woodford (Columbia University)

**Lecture 3:** Recreating the financial system, Raghuram Rajan (University of Chicago)

**Lecture 4:** Financial and monetary policy in emerging markets, Guillermo Calvo (Columbia University)

**Lecture 5:** Modeling inflation, Thomas Sargent (New York University)

**Lecture 6:** Financial factors in macroeconomic modeling and policy analysis, Mark Gertler (New York University)

**Lecture 7:** Macroeconomic forecasting, James Stock (Harvard University)

## Practicum

The course lectures are complemented with afternoon sessions designed to provide participants with hands-on experience with the techniques presented.

## Logistics

The workshop takes place at the James L. Allen Center, the home of Kellogg's Executive Education Programs. The Center is located on the shores of Lake Michigan at Northwestern University's Evanston campus.



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## Dates

The workshop will take place between Tuesday, September 7 and Tuesday, September 14, 2010. Participants are expected to arrive on Tuesday, September 7 and leave in the afternoon of Tuesday, September 14, 2010.

Participants who are interested in attending the Optional Review Session on Tuesday, September 7, 2010 are expected to arrive on Monday, September 6, 2010. This optional session is devoted to a comprehensive tutorial on what you need to know about Matlab to be able to use the software employed in the course.

## Schedule

A preliminary workshop schedule is attached.

## Software and Lecture Materials

At the end of the workshop participants receive a CDrom with lecture materials and with all the programs used during the practicum sessions.

## Price

For information on the cost of the program for the current year please email [eich@northwestern.edu](mailto:eich@northwestern.edu).

Cancellations made before June 1st, 2010 are subject to a 25% fee. Cancellations made after June 1st, 2010 are subject to the total charge. The fee (payable in U.S. dollars) includes tuition, course materials, accommodations, social program, meals, coffee breaks, and receptions. Enrollment is confirmed only upon receipt of full payment.



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## Schedule

	07/Sep Tuesday	08/Sept Wednesday	09/Sept Thursday	10/Sept Friday	11/Sept Saturday	12/Sept Sunday	13/Sept Monday	14/Sept Tuesday
7:30 AM to 9:00 AM		Breakfast, Allen Center	Breakfast, Allen Center	Breakfast, Allen Center	Breakfast, Allen Center	Breakfast, Allen Center	Breakfast, Allen Center	Breakfast, Allen Center
9:00 AM to 10:30 AM		Martin Eichenbaum Session 1	Lawrence Christiano Session 1	Lawrence Christiano Session 3	Lawrence Christiano Session 5	Anil Kashyap Session 1	James Stock Session 1	Sergio Rebelo Session 1
10:30 AM to 10:45 AM		Coffee Break	Coffee Break	Coffee Break	Coffee Break	Coffee Break	Coffee Break	Coffee Break
10:45 AM to 12:15 PM		Martin Eichenbaum Session 2	Lawrence Christiano Session 2	Lawrence Christiano Session 4	Lawrence Christiano Session 6	Anil Kashyap Session 2	James Stock Session 2	Sergio Rebelo Session 2
12:15 PM to 1:30 PM		Lunch	Lunch	Lunch	Lunch	Lunch	Lunch	Lunch
1:30PM to 4:00 PM	Optional Matlab Review Session	Practicum Session	Practicum Session	Chicago Architectural River Cruise	Practicum Session	Lecture by Thomas Sargent	Practicum Session	
4:00 PM to 4:15 PM		Coffee Break	Coffee Break		Coffee Break		Coffee Break	
4:15 PM to 5:30 PM	Cocktails	Lecture by Robert Hall	Lecture by Michael Woodford		Lecture by Guillermo Calvo		Lecture by Mark Gertler	
5:30PM to 6:30 PM	Dinner	Cocktails	Cocktails		Dinner		Cocktails	
6:30PM to 8:00 PM		Dinner	Dinner Speaker: Raghu Rajan			Optional Dinner	Dinner	
					Show at Second City Theater			

