Business Cycles, Financial Markets, and Monetary Policy

With Special Applications to China

August 30 - September 1, Beijing, China

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 (wnzhong@saif.sjtu.edu.cn).

Summary:
• Opening and concluding 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

12:00-12:40pm ******* Lunch *******

12:45-12:50pm Welcome Remarks
   Chun Chang, Shanghai Advanced Institute of Finance (SAIF)

12:50-2:00pm Keynote Speech
   Klaus Masuch, European Central Bank
   Structural reforms – A European perspective

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

2:00-3:00pm 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

Session 2: Income inequality in China
Chair: Bing Li, Tsinghua University

3:00-4:00pm 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

4:00-4:15pm ******* Coffee Break *******
Session 3: Monetary policy in China
Chair: Liu Jun, Shanghai Advanced Institute of Finance (SAIF)

4:15-5:15pm 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

5:15-6:15pm China 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

7:15-9:00pm ******** 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 Johanssen, Board of Governors of the Federal Reserve System
Sergio Rebelo, Northwestern University
Discussant:
Oreste Tristani, European Central Bank

Session 5: Growth in China (continued)
Chair: Bernd Schnatz, European Central Bank

10:00-11:00am 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

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

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
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, People’s Bank of China; Professor of Economics, Peking University

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

7:00-9:00pm  ******** Dinner ********
Thursday, September 1, 2016

Session 7 (optional): Recent development and Challenge of China’s Fin-tech and Payment System

Organized jointly with Financial Research Institute of People’s Bank of China

Four presentations: for each one, there are 15 minutes for open-floor Q&A after the presentation.

Moderator:
Chun Chang, Shanghai Advanced Institute of Finance (SAIF)

9:00-10:15am Keynote Speech
Digital finance: logic and practice
Long Chen, Chief Strategist, Ant Financial Services Group

10:15-10:45am Application of Block Chain
Xuchuan Wu, Secretary-General of Internet Finance Research Center, Financial Research Institute, People’s Bank of China

10:45-10:55am ******** Coffee Break ********

10:55-11:30am Online Payment Firms in China: Development and Challenge
Ye Zhou, CEO, ChinaPnR Co., Ltd

11:30-12:05am Application of Fin-tech on the Securities Investment
Naisheng Yao, Vice President, JD Finance

12:05-12:40pm Three Drivers Behind Financial Innovations Enabled by FinTech
Jie Hu, Professor of Practice, Shanghai Advanced Institute of Finance

12:40-12:55pm Concluding Remarks
Yudong Yao, Director of Financial Research Institute, People’s Bank of China

12:55-1:30pm ******** Lunch ********

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Session 8: Financial Markets (continued)
Chair: Bing Li, Tsinghua University

1:30-2:30pm  Impact of Securitization on Commodity Price Volatility
Lawrence Christiano, Northwestern University
Discussant:
Anastasios Karantounias, Federal Reserve Bank of Atlanta

Session 9: The Economy at the Zero Lower Bound
Chair: Qing Liu, Tsinghua University

2:30-3:30pm  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
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