



SNDE

The Society for Nonlinear Dynamics and Econometrics



QASS

11th BMRC-DEMS Conference on Macro and Financial Economics/Econometrics

Brunel University, 18-19th May 2015
CALL FOR PAPERS (DEADLINE: 24th April)



DEMS

Dipartimento di Economia, Metodi Quantitativi e Strategie di Impresa

Brunel
UNIVERSITY
WEST LONDON



The Brunel Macroeconomics Research Centre (and the Centre for Empirical Finance) and the Department of Economics, Management and Statistics (DEMS), University of Milano-Bicocca, jointly organize a two days conference on Macro and Financial Economics/Econometrics on Monday and Tuesday 18-19th of May, 2015 at Brunel University, London (UK).

The aim of the conference is to bring together researchers and practitioners from a variety of fields and countries, to discuss and exchange ideas.

A conference fee of 50 GBP will be charged to cover lunch and other expenses.



QASS



The Conference Organizers are planning to develop special issues of the **QASS and OJS** based on the themes of this international conference.

The conference is sponsored by **SNDE and MMF**.

Participants are also invited to submit to the SNDE journal:
Studies in Nonlinear Dynamics and Econometrics

Updates of the conference program will be made available
on line

<http://www.econometricopedia.com/econometrics-networks-i/annual-conferences/>



Local Organizers: Menelaos Karanasos and Guglielmo Maria Caporale (Brunel University)

Co-Organizers: A. Canepa, E. Diokitopoulos, A. Kartsaklas, P. Koutroumpis, C. Macchiarelli and Faek Menla Ali

QASS Organizer: Marika Karanassou

International Co-Organizers:

Richard Baillie (Journal of Empirical Finance, Editor)

Claudio Morana (Italy)-SNDE/DEMS

Robert Taylor (Journal of Time Series Analysis, Editor)

**KEYNOTE SPEAKERS
(INCLUDE)**

R. BAILLIE

(Michigan State University,
USA)

S. HVIDKJAER

(University of
Copenhagen, Denmark)

J. KNIGHT

(Western University,
Canada)

S. SATCHELL

(University of Sydney,
Australia)

E. SENTANA

(CEMFI, Spain; CEPR)

R. TAYLOR

(University of Essex)

INVITED SPEAKERS

C. CONRAD

(University of Heidelberg,
Germany)

R. DENNIS

(University of Glasgow,
UK)

M. GIULIODORI

(University of Amsterdam,
Holland)

N. HALDRUP

(Creates, Aarhus
University, Denmark)

M. LAMLA

(University of Essex)

A. LUNDE

(Creates, Aarhus
University, Denmark)

C. MORANA

(Univ. of Milano-Bicocca,
Italy)

R. McCRORIE

(University of St
Andrews)

I. PAYA

(Lancaster University,
UK)

A. SANCETTA

(Royal Holloway,
University of London)

M. SCHIENLE

(University of Hannover,
Germany)

G. URG

(Cass Business School,
UK)

Please fill in the
submission form using
the link below:

<http://www.jotforme.u.com/form/50636737115354>

For enquiries:

info@econometricopedia.com

No later than April 24.

Notification of acceptance
will be April 28, 2015

CONFERENCE THEMES



We welcome submissions of papers on any aspects of recent theoretical and empirical developments in macro and financial economics and econometrics, especially those that relate to:

- Recent developments in time-varying and nonlinear models
- Economic dynamics and smooth transition modeling
- Structural breaks in financial time series
- Dynamic structural financial and macroeconomic modeling
- Macro-financial modeling using mixed frequency data
- Monetary policy and risk taking
- Fiscal policy, financial development and growth
- Macro-finance interface
- Asset pricing models with time-varying moments
- Financial markets volatility and macroeconomic activity
- Financial crash, stock, bond and commodity prices
- Modeling dynamic correlations during financial crises
- Boom-bust cycles and the linkage between financial and real activity
- Early warning indicators of economic and financial instability

The two days (18-19th of May) conference will be a joint CEF-MMF/BMRC-DEMS-SNDE event. The conference is sponsored by SNDE and MMF.

Updates of the conference program will be made available on line:

<http://www.econometricopedia.com>

We will also have two special sessions:
a RASTANEWS session and a session on Commodities

The event is related to the **EC7FP RAstaNEWS** project (<http://www.rastanews.eu>), which aims at answering the following **questions**:

- how the **evolving system of economic governance** in the EU (including the implementation of the common monetary policy, mechanisms of economic policy coordination and the system of financial market supervision) is likely to affect economic stability in the Union and in individual Member States, taking into account the risks involved and the challenge of solving the debt problem;

- how the evolving system of economic governance is likely to work in practice, given the **complex inter-institutional setting** which might combine Community and intergovernmental efforts. The research should analyze the integration of the decision making processes of economic governance in Europe and the roles of actors involved at national and EU levels;

- what risks the EU (or the Member States) should absorb, and how the institutional framework can respond to these risks and **find solid systemic**

solutions, including potential debt restructuring;

- how should the **relations between the Eurozone countries and other EU**

Member States be improved, especially in the context of deepening macro-economic integration in the Eurozone.

We think that a convincing reply to such harsh questions can only come through a rethinking of the theoretical and empirical framework over which macroeconomic research has focused in recent years.

In particular, we find there are three key issues about the working of the macroeconomy that deserve deeper investigation: **incomplete and informationally inefficient financial markets**, the Achille's heel of the consensus DSGE models; **heterogeneity in expectations**, which should play a fundamental role in explaining the behavior of asset prices, and the need to **overcome the traditional dichotomy** between Keynesian (short run) and neoclassical (long run) policy prescriptions.

The different research units will analyze the issues at hand from different perspectives but with the **common objective to give**

rise to a new theoretical and empirical framework, able to give useful policy guidance to the ongoing European reform process.

Work Package 1 will analyze the sources (real exchange rate misalignments, capital flows) and measure the magnitude of **regional imbalances** within the EMU and the EU. It will study the patterns of post-crisis readjustment in CEECs (current account, internal and external debt) and evaluate the current and the most suitable policy arrangements (fiscal and monetary policy, exchange rate policy) for CEECs which may consider EMU accession. It will collect data to **reconstruct the European Financial Network** (EFN), in order to evaluate its properties and **build Early Warning Systems** to study EFN resilience to systemic risk.

Work Package 2 will explore the properties (and exploitation for policy design) of macroeconomic models with **heterogeneous expectations** with a special focus on the consequences of expectational heterogeneity for the transmission and effectiveness of monetary as well as fiscal policies. The unit will test hypotheses in a controlled laboratory environment.

Work Package 3 will investigate how the **interaction between income inequality and household debt** shapes the dynamics of economic fluctuations and determines the fragility of the economy's growth pattern with the idea that setting stricter rules to the financial sector is not sufficient in stabilizing economic systems if a complementary reduction of inequality is not implemented.

Work Package 4 will extend standard DSGE models to incorporate **limited asset market participation**, understand the theoretical implications of limited asset market participation in the EMU and study the interactions between the common monetary policy and the national fiscal policies, including the **optimal monetary-fiscal policy mix** during the transition to lower debt-to-GDP ratios in the EMU.

Work Package 5 will study the macro-finance interface to construct an **Early Warning Indicator System** and set up a new large scale econometric framework for the euro area, also developing a new specification for modeling

long-term dynamic correlations between financial assets.

Work Package 6 will provide a **critical review of the ongoing reforms** of the EU (and the Eurozone) economic governance and suggestions for the design of a **revised economic governance** drawing on results of all the other WPs, with a focus on the potential revision of the ECB strategies/mission.



The RASTANEWS Work package 5 Team: Claudio Morana, Richard Baillie, Christian Conrad and Menelaos Karanasos

RAstaNEWS Special Sessions on *Early Warning Indicators: a Macro-Finance Approach*, and other themes are going to be organised at the conference.

