

Second Behavioral Macroeconomics Workshop: Heterogeneity and Expectations in Macroeconomics and Finance

University of Bamberg, June 13-15, 2019

An der Universität 2/7



Financial support by the Hans-Böckler-Foundation, the Macroeconomic Policy Institute (IMK), the German Academic Exchange Service, and the German Federal Ministry of Education and Research is gratefully acknowledged.

Conference Program

Second Behavioral Macroeconomics Workshop, Bamberg

Thursday June 13

16:30	Guided City Tour
18:00	Welcome Reception

Friday June 14

8:30 – 8:55	Registration and Coffee	U7/01.05
9:00 – 10:45	Session A1: Expectations in Macroeconomic Models	U7/01.05
	Session A2: Experiments I	U2/02.30
	Session A3: Agent Based Models	U2/01.36
11:00 – 12:30	Keynote Lecture by Domenico Delli Gatti (Università Cattolica del Sacro Cuore)	U7/01.05
12:30 – 14:10	Lunch Break and Poster Session I	U2/00.25
14:15 – 16:00	Session B1: Learning	U7/01.05
	Session B2: Alternative Approaches to Macro-finance Modeling	U2/02.30
	Session B3: Expectations and Survey Data	U2/01.36
16:00 – 16:30	Coffee Break	U2/00.25
16:35 – 18:20	Session C1: Consumer Decisions	U7/01.05
	Session C2: Estimation Techniques for Behavioral Models	U2/02.30
	Session C3: Experiments II	U2/01.36
19:30	Conference Dinner	

Saturday June 15

9:00 – 10:45	Session D1: Heterogeneous Expectations in Macroeconomics	U7/01.05
	Session D2: Informational Frictions	U2/02.30
	Session D3: Empirical Finance	U2/01.36
10:45 – 11:10	Coffee Break	U2/00.25
11:15 – 13:00	Session E1: Empirical Macroeconomics	U7/01.05
	Session E2: Heterogeneous Agents Models	U2/02.30
	Session E3: Heterogeneous Expectations in Finance	U2/01.36
13:00 – 14:40	Lunch Break and Poster Session II	U2/00.25
14:45 – 16:15	Keynote Lecture by George W. Evans (University of Oregon & University of St. Andrews)	U7/01.05

After each presentation in a session there is a discussion of the paper by the next speaker. The paper of the last speaker in a session is discussed by the first speaker of the session. The 35 minutes per presenter are allocated as follows: 20 minutes for the presentation; 5 minutes for the discussant; 10 minutes for a reply to the points raised by the discussant and for general discussion.

Session A1: Expectations in Macroeconomic Models

Friday 14 June, 9:00 – 10:45 (Christian Proaño)

Monetary Policy with Diverse Private Expectations

Mordecai Kurz, Maurizio Motolese, **Giulia Piccillo**,
(Maastricht University), Howei Wu

Bounded Rationality and Heterogeneous Expectations: Euler vs. Anticipated-utility Approach

Elton Beqiraj, Giovanni Di Bartolomeo, Marco
Di Pietro, **Carolina Serpieri** (Sapienza University of
Rome and European Commission)

Discretionary Policy and Multiple Equilibria in a New Keynesian Model

Volker Hahn (University of Konstanz)

Session A2: Experiments I

Friday 14 June, 9:00 – 10:45 (Joep Lustenhouwer)

Investigation of The House Price Expectations Channel of Consumption - A Survey-based Experiment

Wei Qian (University of Notre Dame)

Myopia in a Calvo-Pricing Experiment

Marcus Giamattei, **Johann Graf Lambsdorff**
(University of Passau)

Long-run Expectations in LtFE: a Predictive Power Comparison of Different Algorithms

Simone Alfarano, **Annarita Colasante** (Universitat
Jaume I), Anna Safont-Andreu

Session A3: Agent Based Models

Friday 14 June, 9:00 – 10:45 (Frank Westerhoff)

A Boom-Bust Business Cycle Model with Search-for-Yield and Heterogeneous Expectations in the Bond Market

Corrado Di Guilmi, **Timo Henckel** (Australian
National University)

Rational Heuristics? Expectations and Behaviors in Evolving Economies with Heterogeneous Interacting Agents

Giovanni Dosi, Mauro Napoletano, Andrea
Roventini, Joseph Stiglitz, **Tania Treibich**
(Maastricht University, Scuola Superiore Sant'Anna
and OFCE)

Comparing the Performance of an Emission Tax and a Permit Market under Bounded Rationality, Heterogeneity, and Uncertainty

Joël Foramitti (Universitat Autònoma de Barcelona)

Session B1: Learning

Friday 14 June, 14:15 – 16:00 (Joep Lustenhouwer)

Expectational Stability and Interest Rate Pegs

Nigel McClung (Bank of Finland)

Learning Under Multiple Public Information Sets

Manuel M. Mosquera-Tarrío (University of
Manchester)

On the Learnability of MSV Solutions

Francesca Grassetti, **Jan Wenzelburger** (Technische
Universität Kaiserslautern)

Session B2: Alternative Approaches to Macro-finance Modeling

Friday 14 June, 14:15 – 16:00 (Tomasz Makarewicz)

Inflation Targeting under Differentiated Endogenously Heterogeneous Inflation Expectations

Soumya Datta (South Asian University), C.
Saratchand

Banks in the Behavioral Model

Yuemei Ji (University College London), Paul De
Grauwe

Formalising Minsky's Two-price Model of Investment in a Simple Agent-Based Framework

Severin Reissl (Università Cattolica del Sacro Cuore
and Universität Bielefeld)

Session B3: Expectations and Survey Data

Friday 14 June, 14:15 – 16:00 (Mishael Milaković)

How Do Firms Form Expectations of Aggregate Growth? New Evidence from a Large-Scale Business Survey in Germany

Jonas Dovern (Alfred-Weber-Institute for
Economics, Heidelberg University and CESifo),
Klaus Wohlrabe

How Peer Groups Influence Economic Perceptions

Markus Knell, **Helmut Stix** (Oesterreichische
Nationalbank)

New Tests of Expectation Formation with Applications to Asset Pricing Models

Pei Kuang (University of Birmingham), Renbin
Zhang, Tongbin Zhang

Session C1: Consumer Decisions

Friday 14 June, 16:35 – 18:20 (Christian Proaño)

Depressed Demand and Supply

Baptiste Massenot (Goethe University Frankfurt
and SAFE), Giang Nghiem

Costly Information Processing and Consumption Dynamics

Jérémy Boccanfuso (Paris School of Economics)

Are Consumers' Spending Decisions in Line With an Euler Equation?

Lena Dräger (Leibniz University Hannover), Giang Nghiem

Session C2: Estimation Techniques for Behavioral Models

Friday 14 June, 16:35 – 18:20 (Frank Westerhoff)

Estimating an Elementary Harrod–Kaldor Business Cycle Model by the Method of Simulated Moments

Reiner Franke (University of Kiel)

On the Estimation of Behavioral Macroeconomic Models via Simulated Maximum Likelihood

Jiri Kukacka (Charles University Prague), Tae-Seok Jang, Stephen Sacht

Animal Spirits, Financial Markets and Aggregate Instability

Wei Dai, **Mark Weder** (University of Adelaide), Bo Zhang

Session C3: Experiments II

Friday 14 June, 16:35 – 18:20 (Tomasz Makarewicz)

Intentions rather than Money Illusion – Why Nominal Changes Induce Real Effects

Susanna Grundmann (University of Passau)

Welfare Effects of Public Information in a Laboratory Financial Market

Alba Ruiz-Buforn (Universitat Jaume I), Simone Alfarano, Andrea Morone

Adding Fuel to the Flame: Asset Market Prices Affect the Overprecision of Investors

Steffen Ahrens (Berlin University of Technology), Cyril Bosch-Rosa, Rasmus Pank Roulund

Session D1: Heterogeneous Expectations in Macroeconomics

Saturday 15 June, 9:00 – 10:45 (Frank Westerhoff)

Strategic Interaction of Fiscal and Monetary Policies under Waves of Optimism and Pessimism

Paul De Grauwe, **Pasquale Foresti** (University of Roehampton London and London School of Economics)

The Behavioral Economics of Currency Unions: Economic Integration and Monetary Policy

Akvile Bertasiute, Domenico Massaro, **Matthias Weber** (School of Finance, University of St. Gallen and Vilnius University)

Experience-Based Heterogeneity in Expectations

Lucas Radke (University of Cologne), Florian Wicknig

Session D2: Informational Frictions

Saturday 15 June, 9:00 – 10:45 (Joep Lustenhouwer)

Computing Sunspot Solutions to Rational Expectations Models with Timing Restrictions

Marco Sorge (University of Salerno, University of Göttingen and CSEF)

Noise-Ridden Lending Cycles

Elena Afanasyeva, **Jochen Güntner** (University Linz)

Irrational or Risk Averse? A Sticky Expectations

Model for Households' Unemployment Expectations

Luca Gerotto (Ca' Foscari University), Paolo Pellizzari

Session D3: Empirical Finance

Saturday 15 June, 9:00 – 10:45 (Sven Schreiber)

Short and Medium Term Financial-Real Cycles: An Empirical Assessment

Engelbert Stockhammer, Robert Calvert Jump, **Karsten Kohler** (Kingston University London), Julian Cavallero

Highly Rational to Wildly Irrational: Housing Markets are a Heterogeneous Ensemble

Michael Harré (University of Sydney)

A Behavioral Model of Household's Deposit Dollarization

Ramis Khabibullin, **Alexey Ponomarenko** (Bank of Russia)

Session E1: Empirical Macroeconomics

Saturday 15 June, 11:15 – 13:00 (Mishael Milaković)

The Macroeconomic Effects of Social Security Contributions and Benefits – Evidence from Germany

Sebastian Gechert (Macroeconomic Policy Institute), Christoph Paetz, Paloma Villanueva

Global Financial Cycles since 1880

Galina Potjagailo, **Maik Wolters** (University of Jena, Kiel Institute for the World Economy and IMFS Frankfurt)

On the Dynamics of the Explanatory Power of the Granular Residual

Omar Blanco-Arroyo, **Simone Alfarano** (Universitat Jaume I)

Session E2: Heterogeneous Agents Models

Saturday 15 June, 11:15 – 13:00 (Christian Proaño)

A Modified Truncated History Approach to Solve Heterogeneous Agents Models with Aggregate Shocks

Marius Clemens, Ulrich Eydam, **Sven Hartjenstein** (DIW Berlin and Berlin School of Economics), Maik Heinemann

Corporate Tax Reforms with Policy Uncertainty

Árpád Ábrahám, **Pavel Brendler** (University of Bonn), Eva Cárceles

Avoiding Root-Finding in the Krusell-Smith Algorithm Simulation

Ivo Bakota (Charles University and the Economics Institute of the Czech Academy of Sciences)

Session E3: Heterogeneous Expectations in Finance

Saturday 15 June, 11:15 – 13:00 (Tomasz Makarewicz)

A Model of Market Making with Heterogeneous Speculators

Leonardo Bargigli (Università di Firenze)

Analyzing Heterogeneous Agents Models: Avoiding the Explicit Discretization of Stiff Equations

Michael Baumann (Universität Bayreuth), Michaela Baumann, Lars Grüne, Bernhard Herz

Stock Prices, Sunspots and Macro Volatility in a Behavioural Model

Michael Hatcher (University of Southampton)

Poster Session I

Friday 14 June, 12:30 – 14:10

Asset Purchase Programmes in a DSGE Model with Heterogeneous Expectations

Rodolfo Arioli (University of Amsterdam)

The Rise of Market Power, Inequality and the Macroeconomic Trends

Hassan Faryaar (Carleton University)

Robust Optimal Monetary Policy Under Heterogeneous Beliefs

David Finck (University of Giessen)

Heterogeneous Price Setting and the Phillips Curve: An Evolutionary Calvo Experiment

Alex Grimaud (Università Cattolica del Sacro Cuore and Universiteit van Amsterdam)

The Effects of Tax Changes on Economic Growth and Income Inequality

Simon Gross (University of Bamberg)

Estimation and Inference in Adaptive Learning Models with Slowly Decreasing Gains

Alexander Mayer (WHU - Otto Beisheim School of Management)

Cross-Country Asymmetries in the Monetary Policy Transmission Mechanism: An Empirical Investigation

Sven Schnellbacher (University of Karlsruhe)

Agent-Based Model of the UK Housing Market: Leverage and Consumption over the Cycle

Ruben Tarne (IMK)

Poster Session II

Saturday 15 June, 13:00 – 14:40

Corporate profitability and growth during democracy, dictatorship and war: Germany, 1919-1943

Christian Babirat (University of Bamberg)

Estimation of agent-based models: Testing and applying a simulated joint moment approach

Ivonne Blaurock (University of Bamberg)

Medium-term Effects of the Great Recession on National Unemployment Benefit Schemes in the Euro Area

Martha Düker (University of Bamberg)

The Rationality Bias

Tim Hagenhoff (University of Bamberg)

A Meso-economic Aggregation Rule for Microeconomic Shocks

Alexander Hempfing, Jan Schulz (University of Bamberg)

Are Some People More Equal than Others?

Experimental Evidence on Group Identity and Income Inequality

Joep Lustenhouwer, Tomasz Makarewicz, Juan Carlos Peña, Christian Proaño (University of Bamberg)

Heterogeneous expectations, housing bubbles and tax policy

Carolin Martin (University of Bamberg)

Location of Rooms

The registration desk is at the first floor of the U7 building. You can get there by taking the stairs at the ground floor and following the signs after that. This is also where the keynote lectures will take place.

The whole conference takes place in the U2 (An der Universität 2) and U7 (An der Universität 7) building. The first two digits of the room names indicate the floor the room is located on, where U2 00.25 is located on the ground floor, U7 01.05 and U2 01.36 on the first floor and U2 02.30 on the second floor of their respective buildings. The walking distance between both buildings is approximately five minutes (see map).

Social Events

Guided City Tour (June 13, 16:30)

Starting Point: Am Kranen 3 (see map)

Welcome Reception and Dinner (June 13, 18:00)

Location: Spezial-Keller, Sternwartstraße 8 (see map)

Conference Dinner (June 14, 19:30)

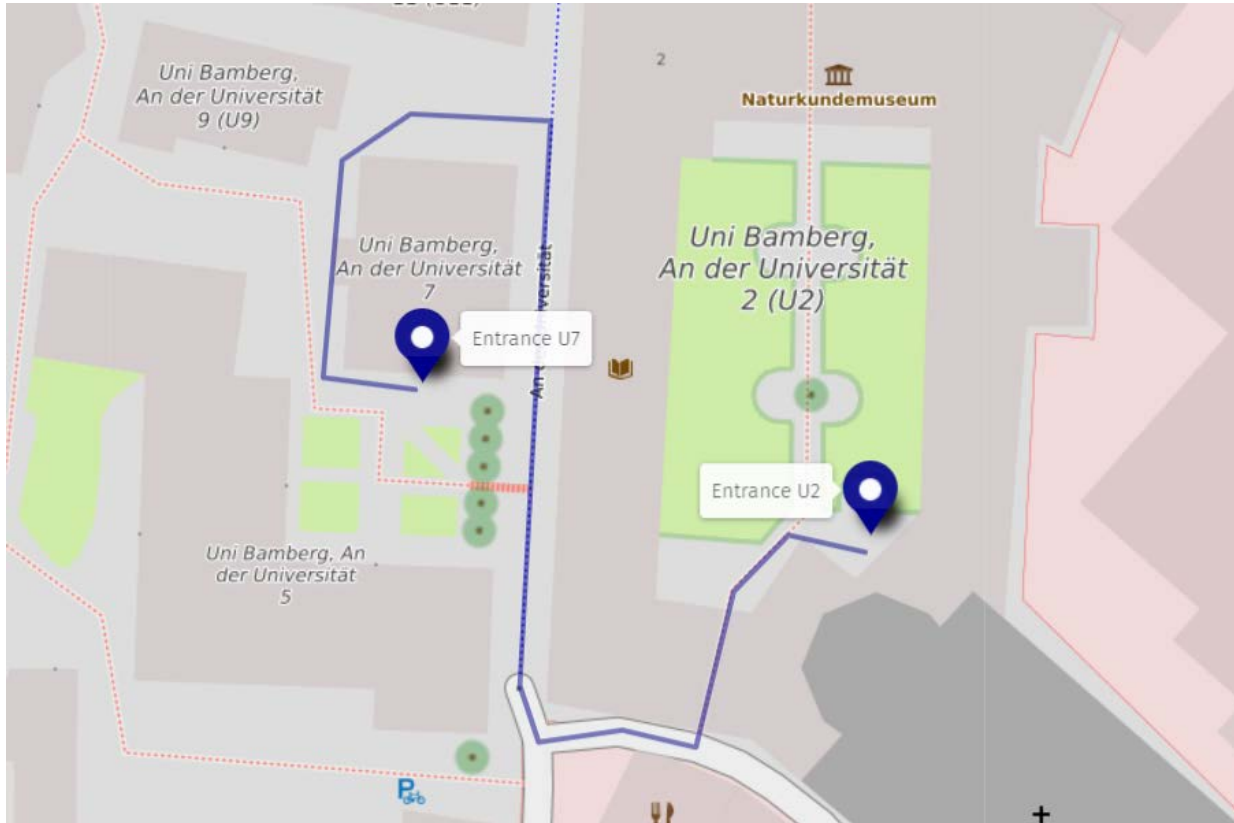
Location: Restaurant Francesco, Michelsberg 10f (see map)

Conference WiFi

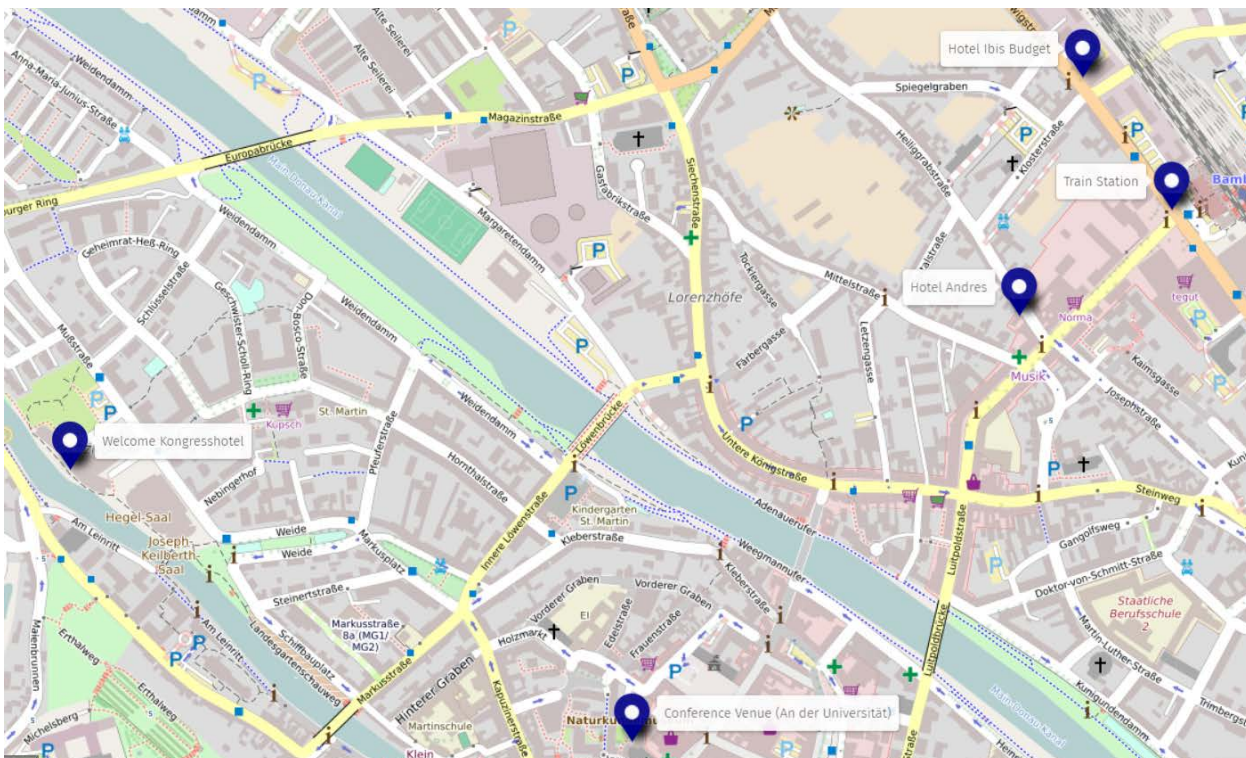
Login: BehavioralMacroeconomics

Password: workshop@uniba2019

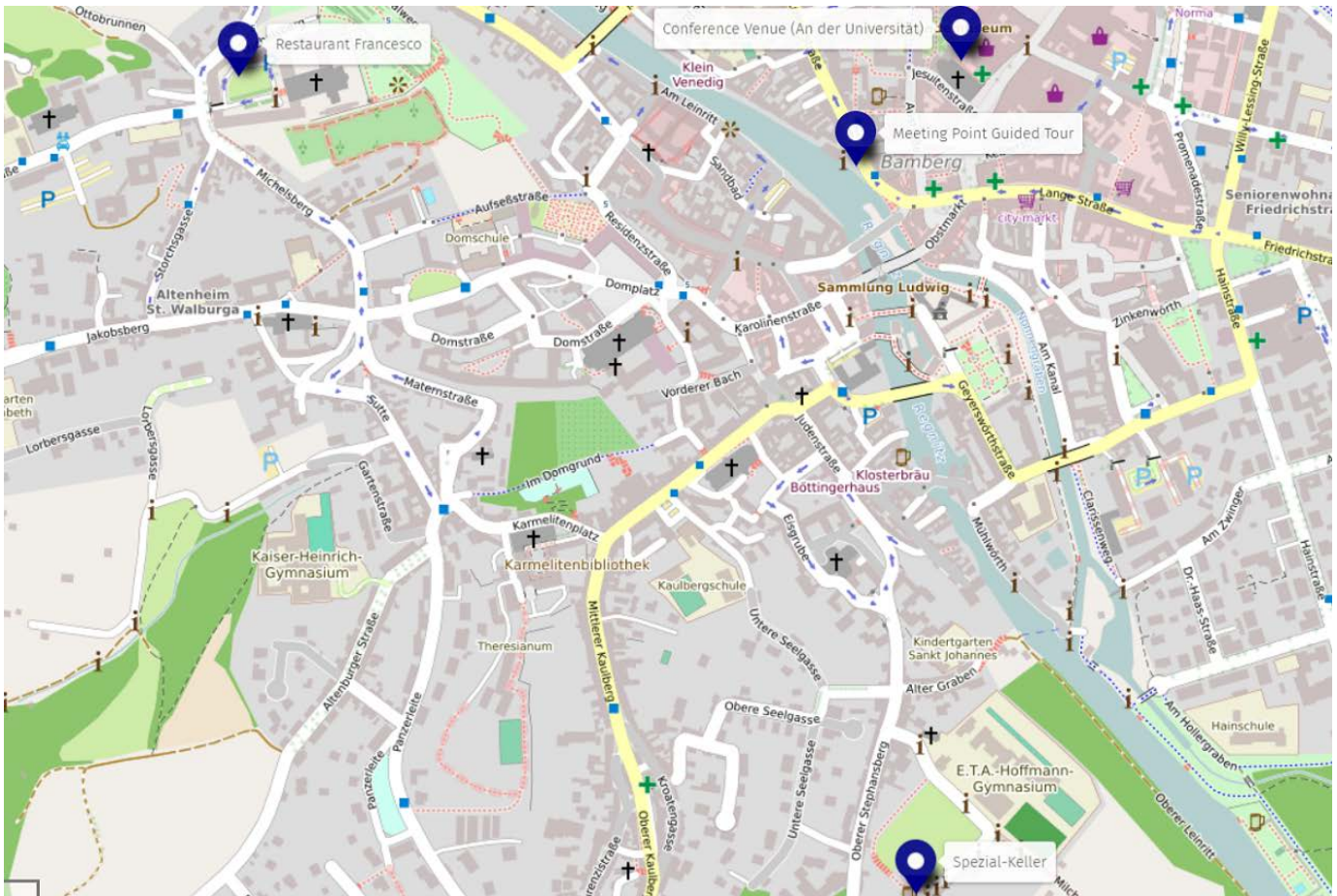
Conference Venue



Accommodation



Social Events



Scientific Committee

Emanuel Gasteiger
Joep Lustenhouwer
Tomasz Makarewicz
Mishaël Milaković
Christian Proaño
Sven Schreiber
Frank Westerhoff

Organizing Committee

Tim Hagenhoff
Alexander Hempfing
Carolin Martin
Juan Carlos Peña
Jan Schulz