

ECONOMIC MODELLING IN POLICY INSTITUTIONS

ESM WORKSHOP

24-25 October 2023

**Venue: European Stability Mechanism,
6a Circuit de la Foire Internationale, L-1347 Luxembourg**

The European Stability Mechanism organises its first “Economic Modelling in Policy Institutions Workshop” (ESMMPI). The workshop aims to bring together policymakers, economists, and researchers to explore the latest economic and financial modelling advancements and foster intellectual exchange about models’ limitations and uncertainties.

Workshop Agenda:

DAY 1: OCTOBER 24, 2023

08:30 – 09:00: Welcome Breakfast

09:00 – 09:15: Opening Remarks and Introduction by **Rolf Strauch (ESM)**

- 09:15 – 10:15: Keynote Speech by **Christopher J. Erceg (IMF)** - "Macroeconomic modelling in the wake of the pandemic"

10:15 – 10:30: Coffee Break

Session 1: Financial Imbalances and Macro-Prudential Policies – Chair by Nicoletta Mascher (ESM)

- 10:30 – 11:10: Presentation 1: “State-Dependent Pass-Through from Monetary Policy to Lending Rates” - **Federico Puglisi (Northwestern University)**
 - Discussant: **Matthias Gnewuch (ESM)**
- 11:10 – 11:50: Presentation 2: “CBDC and Banks: Disintermediating fast and slow” - **Timothy Jackson (University of Liverpool)**
 - Discussant: **Marco Pinchetti (BOE)**
- 11:50 – 12:30: Presentation 3: “Optimal Stabilization Policies in the Wake of Large Shocks” - **Andrea Ferrero (Oxford)**
 - Discussant: **Raf Wouters (NBB)**

12:30 – 14:00: Lunch Break

- 14:00 – 15:00: Keynote Speech by **Frank Smets (ECB and Ghent University)** – “A New Keynesian climate model”

15:00 - 15:20: Coffee Break

Session 2: Climate and Energy Price Policies – Chair by Giovanni Callegari (ESM)

- 15:20 – 16:00: Presentation 4: “Energy Prices and Household Heterogeneity: Monetary Policy in a Gas-TANK” - **Jenny Chan (BOE)**
 - Discussant: **Anh H. Le (Goethe University Frankfurt)**
- 16:00 – 16:40: Presentation 5: "Macroeconomic Effects of Carbon Transition Policies: An Assessment Based on the ECB’s New Area-Wide Model with a Disaggregated Energy Sector" - **Romanos Priftis (ECB)**
 - Discussant: **Federico Di Pace (BOE)**
- 16:40 – 17:20: Presentation 6: “Decarbonisation, policy credibility and technological progress: a sensitivity analysis with the E-QUEST model.” - **Philipp Pfeiffer (EC)**
 - Discussant: **Jean Chateau (OECD)**

17:20 – 17:30: Wrap-up

19:30: **Dinner** at “Châtelet”, **Location:** 2 Boulevard de la Pétrusse, Luxembourg. [Google Map link](#)

DAY 2: OCTOBER 25, 2023

08:30 – 09:00: Breakfast

- 09:00 – 10:00: Keynote Speech by **Jan In 't Veld (EC)** - "Unleashing Potential: Model-Based Reform Benchmarking for EU Member States"

10:00 – 10:20: Coffee Break

Session 3: Real Economy and Macroeconomic Policies – Chair by Pilar Castrillo (ESM)

- 10:20 – 11:00: Presentation 7: “Public Investment in a Production Network: Aggregate and Sectoral Implications” - **Iacopo Varotto (BdE)**
 - Discussant: **Riccardo Maria Masolo (Cattolica)**
- 11:00 – 11:40: Presentation 8: “Other days, other ways? Fiscal and monetary policy reaction functions over the past seven decades” - **Boris Hofmann (BIS)**
 - Discussant: **Michele Lenza (ECB)**
- 11:40 – 12:20: Presentation 9: “Unemployment Risk and Discretionary Fiscal Spending” - **Alex Grimaud (Vienna University and TU Wien)**
 - Discussant: **Christos Koulovatianos (UNILU)**
- 12:20 – 12:30: Wrap-up followed by Farewell lunch.