

# **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](mailto:eich@northwestern.edu)) and  
Tao Zha ([zmail@tzha.net](mailto:zmail@tzha.net)).

*Contact information for logistics:*

Wenna (Karen) Zhong ([wzhong@saif.sjtu.edu.cn](mailto:wzhong@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 \*\*\*\*\*

**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

## Participants List (Alphabetical)

Name	Institution
<b>David Altig</b>	Federal Reserve Bank of Atlanta
<b>Chong-En Bai</b>	Tsinghua University; People's Bank of China;
<b>Chun Chang</b>	Shanghai Advanced Institute of Finance
<b>Hongyi Chen</b>	Hong Kong Institute for Monetary Research
<b>Lawrence Christiano</b>	Northwestern University
<b>Alistair Dieppe</b>	European Central Bank
<b>Haiyan Ding</b>	Beijing Normal University
<b>Feng Dong</b>	Shanghai Jiao Tong University
<b>Martin Eichenbaum</b>	Northwestern University
<b>Charles Evans</b>	Federal Reserve Bank of Chicago
<b>Lei Fang</b>	Federal Reserve Bank of Atlanta
<b>John Fernald</b>	Federal Reserve Bank of San Francisco
<b>Pierre-Olivier Gourinchas</b>	University of California at Berkeley
<b>Meixin Guo</b>	Tsinghua University
<b>Hui He</b>	International Monetary Fund
<b>Chang-Tai Hsieh</b>	University of Chicago
<b>Haizhou Huang</b>	China International Capital Corporation
<b>Yiping Huang</b>	Peking University; People's Bank of China;
<b>Anastasios Karantounias</b>	Federal Reserve Bank of Atlanta
<b>Bing Li</b>	Tsinghua University
<b>Jun Liu</b>	Shanghai Advanced Institute of Finance
<b>Qing Liu</b>	Tsinghua University
<b>Zheng Liu</b>	Federal Reserve Bank of San Francisco
<b>Klaus Masuch</b>	European Central Bank
<b>Yanliang Miao</b>	State Administration of Foreign Exchange
<b>Min Ouyang</b>	Tsinghua University
<b>Peter Praet</b>	European Central Bank
<b>Nancy Qian</b>	Yale University
<b>Jun Qian</b>	Shanghai Advanced Institute of Finance
<b>Sergio Rebelo</b>	Northwestern University
<b>Eric Rosengren</b>	Federal Reserve Bank of Boston
<b>Stephane Rottier</b>	European Central Bank
<b>Bernd Schnatz</b>	European Central Bank
<b>Michel Soudan</b>	European Central Bank
<b>Mark Spiegel</b>	Federal Reserve Bank of San Francisco
<b>Kjetil Storesletten</b>	University of Oslo
<b>Livio Stracca</b>	European Central Bank
<b>Johannes Stroebel</b>	New York University
<b>Oreste Tristani</b>	European Central Bank



<b>Shang-Jin Wei</b>	Asian Development Bank
<b>Yi Wen</b>	Federal Reserve Bank of St. Louis
<b>Zhiwei Xu</b>	Shanghai Jiao Tong University
<b>Yudong Yao</b>	People's Bank of China
<b>Tao Zha</b>	Federal Reserve Bank of Atlanta
<b>Jingyi Zhang</b>	Shanghai Advanced Institute of Finance
<b>Tianxiao Zheng</b>	Shanghai Advanced Institute of Finance
<b>Feng Zhu</b>	Bank for International Settlements
<b>Yifeng Zhu</b>	Emory University; Central University of Finance and Economics

---