€ABCN
Euro Area Business Cycle Network

2015-16 Annual Report

A summary of the network, members, events and finances

For the period 1 July 2015 – 30 June 2016

For the Annual **Steering Committee** Meeting 2016.

Hosted by Banca d'Italia, Rome

Contents

1   Introduction

The Euro Area Business Cycle Network (EABCN) provides a forum for the better understanding of the business cycle in the euro area, by linking academics and researchers in central banks and other policy institutions involved in its empirical analysis. The network was launched officially on 1 April 2002. The first EABCN Steering Committee meeting, hosted by Banca d'Italia in September 2002, ratified the network's organisational structure and approved its ability to spend network funds.

The network currently consists of twenty-one institutional members and over 1,100 individual members. Its organisational structure consists of an **executive group**, a **scientific committee** and a **steering committee**.

1.1 Executive Group

The Executive Committee consists of the Chair of the Steering Committee, the Chair of the Scientific Committee and a CEPR senior representative. The Executive Committee reports to the Steering Committee and approves deviations from the budget during the year. Major changes to the budget are communicated to the Steering Committee and approved by written procedure. The CEPR President is its representative on the Executive Group.

1.2 The Scientific Committee

The Scientific Committee consists of between four and seven people, each with a two-year term. The Committee comprises of a mix of academic and central bank representatives in order to ensure balance in approach and thought. It currently includes: **Katrin Assenmacher-Wesche** (Swiss National Bank), **Fabio Canova** (European University Institute and CEPR), **Siem Jan Koopman** (VU University Amsterdam, FEWEB, and Department of Econometrics) and **Stefano Neri** (Banca d'Italia).

Massimiliano Marcellino is Chair of the Scientific Committee. He is a Professor of Econometrics at Bocconi University and a CEPR Research Fellow. He has published extensively on econometrics, time series analysis and applied macroeconomics. He is currently an editor of the Journal of Forecasting and coordinator of the European Forecasting Network. He has worked as a consultant for the ECB, several national Central Banks, the European Commission, Eurostat and the IMF. Professor Marcellino's term as Chair finishes in 2016 and will be replaced by Klaus Adam.

Klaus Adam is currently Vice-Chair of the Scientific Committee. He is Professor of Economics at the University of Mannheim, Research Professor at the Deutsche Bundesbank, a CEPR Research Fellow and an Associate Editor of the Journal of Monetary Economics. Prior to joining Mannheim

University, he was Principal Economist at the Monetary Policy Research Division of the ECB. Klaus obtained his Ph.D. from the European University Institute in Florence and held assistant professorships at the University of Salerno and Goethe University in Frankfurt.

As Professor Marcellino's term as Chair ends in 2016 the current Vice Chair, Klaus Adam, will replace him. The Network will thus be selecting a new Vice Chair in 2016. A call for applications was sent out in July 2016 which will then be shortlisted in September 2016.

1.3 The Steering Committee

The Steering Committee consists of representatives of all institutional members and meets annually to approve the EABCN budget and discuss the annual report.

Following a change in responsibilities at the European Central Bank, Frank Smets will be replaced by **Luc Laeven** as Chair of the Steering Committee, in September 2016. Dr Laeven is currently Director General for the Directorate General Research and has previously worked for the International Monetary Fund and World Bank. He obtained his Ph.D. in Economics from the University of Amsterdam. His fields of interest are Macro-Finance, International Finance, Corporate Finance and Financial Intermediation.

1.4 EABCN Institutional Members

Banca d'Italia	De Nederlandsche Bank
Banco de España	Deutsche Bundesbank
Banco de Portugal	DG ECFIN
Bank of England	European Central Bank
Bank of Finland	Magyar Nemzeti Bank
Bank of Slovenia	National Bank of Poland
Banque Centrale du Luxembourg	Norges Bank
Banque de France	Oesterreichische Nationalbank
Banque Nationale de Belgique	Schweizerische Nationalbank
Central Bank & FSA of Ireland	Sveriges Riksbank
Czech National Bank	

1.5 Network Co-ordinator

The Network Coordinator, **Elisa Faraglia**, works in collaboration with the Chair and Vice Chair of the Scientific Committee and the relevant Officer(s) at CEPR to facilitate planned network activities. The Network Coordinator works to ensure activities occur on schedule and to a high scientific standard. Dr Faraglia is a University Lecturer at King's College, Cambridge.

1.6 CEPR

The Centre for Economic Policy Research acts as the network's secretariat by handling administrative tasks such as receiving and dispersing funds; organising meetings; processing expense claims; keeping the accounts and maintaining the website. Some of these tasks are done in cooperation with the Network Coordinator. CEPR also produces the **Annual Report** which is circulated in advance of the annual Steering Committee Meeting. It reports on events, members, finances, the website and feedback.

Currently, the point of contact at CEPR for EABCN inquiries is **Simran Bola,** Programmes & Outreach Officer (sbola@cepr.org), unless stated otherwise.

2   Recent Events

Information on the Network's recent conferences and training schools is given below. Feedback from the training schools can be found in Section 6 at the end of this report.

2.1 Conferences

Persistent Output Gaps: Causes and Policy Remedies

Cambridge University

Cambridge, 3-4 September 2015

In many European economies, the recovery following the financial crisis has proven either sluggish or non-existent. This conference sought to bring together academics entertaining different views about the likely sources and remedies to the European situation.

Invited speakers were **Gauti Eggertsson** (Brown University), **Bob Hall** (Stanford University) and **Alp Simpsek** (MIT).

Applications: 100; attendees: 64

Medium and Long Run Implications of Financial Crises

Swiss National Bank

Zurich, 21-22 January 2016

This conference covered a broad range of themes in macroeconomics and finance with a view to the medium and long run. A special emphasis was on methodological, theoretical and empirical aspects and on their relevance for economic policy.

Invited speakers included **Philippe Aghion** (Harvard University and CEPR), **Jordi Galí** (Universitat Pompeu Fabra and CEPR), **Guido Lorenzoni** (Northwestern University), **Hyun Shin** (BIS and CEPR) and **Mark Watson** (Princeton University).

Applications: 78; attendees: 36

International Research Forum on Monetary Policy

European Central Bank

Frankfurt, 18-19 March 2016

The purpose of the ninth conference organised by the **International Research Forum on Monetary Policy** (IRFMP) was to promote the discussion of innovative research on *theoretical and empirical macroeconomic issues with relevance for monetary policy*.

Asset Prices and the Macro Economy
University of Mannheim
Mannheim, 24-25 June 2016

The financial crisis and the subsequent economic recovery were associated with spectacular price movements in a number asset markets. Understanding these fluctuations and their interactions with the macro economy remains challenging. The conference sought to bring together innovative theoretical and empirical work advancing our knowledge on asset price behaviour.

Invited speakers included **Stefan Nagel** (Univ. of Michigan & CEPR) and **Ken Singleton** (Stanford University).

Applications: 116; attendees: 24

2.2 Training Schools

23rd Training School: Term Structure Modelling and the Lower Bound Problem
European University Institute
Florence, 7-9 September 2015

The 23rd EABCN training school was a three-day course on 'Term Structure Modelling and the Lower Bound Problem' taught by **Dr Jens Christensen** (Federal Reserve Bank of San Francisco). The course covered the most recent literature on how to model the term structure of bond yields including challenges posed by the asymmetric behaviour of yields near their lower bound.

Applications: 48; attendees: 39

24th Training School: Advances in Bayesian Analysis of DSGE Models
European University Institute
Florence, 1-3 June 2016

The 24th EABCN training school was a three-day course on the 'Advances in Bayesian Analysis of DSGE Models' taught by Professor **Frank Schorfheide** (University of Pennsylvania). The course covered the recent advances in the Bayesian analysis of dynamic stochastic general equilibrium (DSGE) models, covering both estimation methods and applications.

Applications: 82; attendees: 41

3   Future Events

The Network is planning two conferences and two training schools for the 2016-2017 period. As the costs for events have risen in general, it has been decided that only four events shall be held in order to maintain a sustainable level of reserves. Further details for future events are to be confirmed and will be available on the EABCN website in due course.

Steering Committee Meeting and Policy Event

Banca d'Italia, Rome, 26 September 2016

The annual Steering Committee for the EABCN network will be held at Banca d'Italia in Rome this year. Institutional members will discuss the previous year's activities and also how to move forward in the next year. After the meeting, there will be a policy event held at Banca d'Italia where the Deputy Director General **Luigi Federico Signorini** will speak on *Challenges of a Low Inflation/Low Interest Rate Environment.*

3.1 Conferences

New Developments in Monetary Policy and Theory (TBC)
Banque de France
Paris, May 2017

Keynotes: **Emmanuel Farhi** (Harvard University) and **Michael Woodford** (Columbia University)

Time-varying Models for Monetary Policy and Financial Stability
European University Institute
Florence, 8-9 June 2017

3.2 Training Schools

25th Training School: Micro-Structure of Trade: Theory and Evidence
European University Institute
Florence, 19-21 September 2016

Professor **Marc J. Melitz** (Harvard University) will survey the newer empirical literature based on firm-level studies of trade, and develop the analytical framework for general equilibrium models of trade with heterogeneous producers. The lectures will then cover applications (both theoretical and empirical) of these models to different subfields of international economics.

26th Training School: Macroeconomic Dynamics and Expectations Formation
University of Mannheim, 3-5 April 2017

Taught by Bruce Preston (University of Melbourne)

5   EABCN Website

The EABCN website underwent a major overhaul in June 2015 which resulted in a far cleaner and more robust website for the Network. Below we provide various data on visits to the website. The data was gathered from EABCN's Google Analytics account and represent the period **1 July 2015 – 30 June 2016.**

Website visits

This chart represents the number of website visits per month. This counts as one person going onto the website for one 'session' regardless of how many pages they visit. As we can see, there is a steady stream of visitors as well as a fairly high number which suggests people are finding the website useful.

Feedback from training schools for the website has been very positive. People like its easy navigation as well as the information that is provided. A key point to address is to put information regarding logistics and content on the website earlier. Many people mentioned it would be useful for organising their accommodation and transport.

Key statistics

- **Average visit length:** 1 minute, 23 seconds.
- **Average pages per visit:** 2.01
- **Total visits:** 28,448

Top website referrals
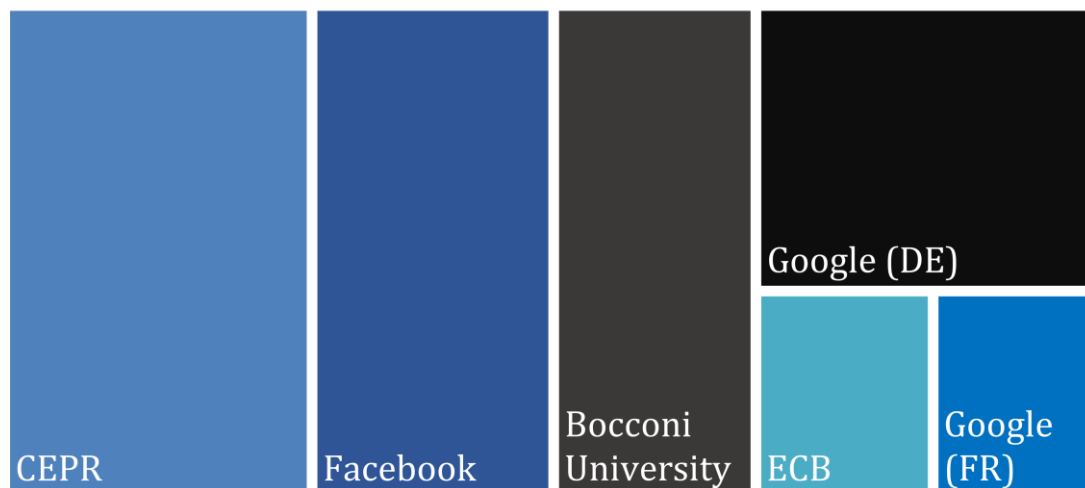
This diagram represents the top six websites that people come to the EABCN website from. As we can see, the second largest referrer of people is **Facebook**.

Facebook is successfully used by both large and small organisations to increase their outreach. It has the largest social media user base, 1,590m compared to Twitter's 320m.[1] According to a recent study, over 40% of online users get their daily news via Facebook.[2] This shows that people are increasingly using social media (especially Facebook) for organisational and educational purposes, rather than personal.

CEPR noticed this trend and has also created its own Facebook page which can be used for events, photography, research dissemination and news alerts. This may be something to consider for the future.

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[1] Statistica: *"Leading social networks worldwide as of April 2016, ranked by number of active users"* April 2016 http://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/

[2] Reuters – Business Insider: "More than half online users get news from Facebook, YouTube and Twitter: study" Jun 14, 2016 http://www.businessinsider.com/r-more-than-half-online-users-get-news-from-facebook-youtube-and-twitter-study-2016-6?IR=T

Creating a Facebook page for EABCN would be easy and it would provide another platform from which to disseminate research.

Sessions by country
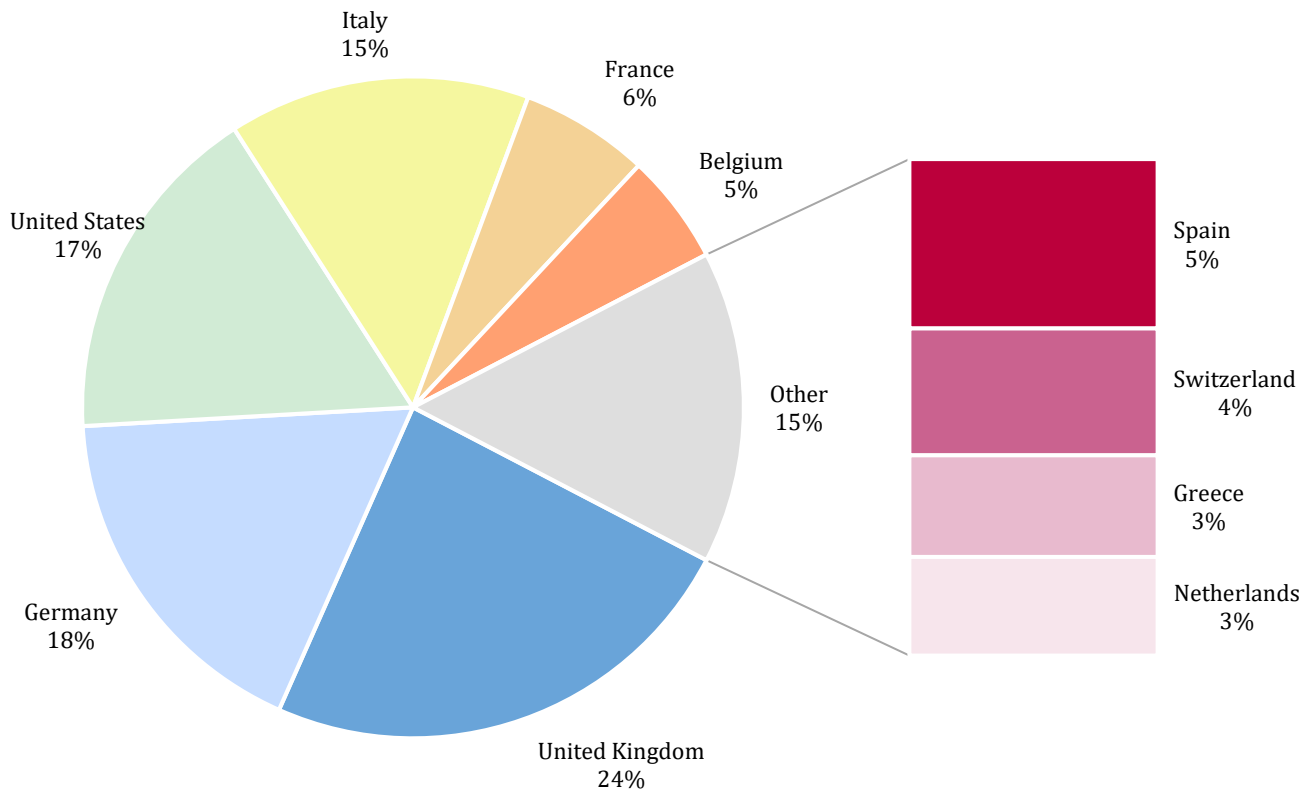
This diagram represents website visits by country. The percentages are calculated from the total number of visits to the website over the year (28,448). The ratios are what we would expect as the network is most active among academics from the UK, Germany, Italy and US.

The network could **address the lowest percentage countries** by increasing local dissemination and outreach. This would hopefully increase engagement from academics in these countries and thus how much they access the website.

6 Feedback on Training Schools

6.1 Term Structure Modelling and the Lower Bound Problem (EUI, 7-9 Sept 2015)

Training School	Excellent	Good	Fair	Poor	Very poor	Total
Pre-meeting organisation	19	8				27
Local information provided	20	7				27
Meeting venue	20	5	2			27
Accommodation	7	9	3		1	20
Meals provided	14	8	4			26
Local organisation	17	10				27
Overall	15	12				27

Course Material	Very high	High	Neutral	Low	Very low	N/A	Total
Relevance of the course content to your personal needs	9	15	2				26
Awareness of academic level of the course	10	8	4	2			24
Awareness of the contents of the course	10	13	2				25
Lecturer's expertise	18	8					26

What further features would you like to see included in future EABCN training schools? Please comment.

Opportunity to present own work in afternoon session

TA classes with practical code-based teaching

More training sessions would be helpful

More computer sessions, or at least more code shared

Specify level of course (advanced, etc.)

More programming classes in addition to lectures

A small tour of Florence

More practical exercises

What subject areas do you think should be covered in the future in these training schools?

Determinants of inflation and formation of inflation expectations

Exchange rate economics; high frequency econometrics

Model selection and credit risk modelling

Term structure models with spanned/un-spanned factors

Tutorial classes showing codes

A base course on term structure modelling

Course combining academicians and policymakers

Non-linear models and estimation techniques

Macro-financial interactions; systemic risk

Website

Did you use the website created for this meeting?	
Yes	27
No	0

Did you receive sufficient information about the contents of the event from the EABCN website?	
Yes	25
No	0

Please use the space below for any comments regarding the website

Very extensive materials, including code and academic papers; very good local information
Very useful, both for preparing the course and for follow-up. The scale and scope of
Documentation made available are much appreciated.
A map would be useful, though text instructions also clear
One early and one final update rather than repeated emails about slides; website very good

After the training school	Very high	High	Neutral	Low	Very low	N/A	Total
Likelihood of using the course material in the future	11	12	3				26
Likelihood of attending further training schools	11	12	3				26
Likelihood of attending other EABCN events	16	7	3				26

If you have selected "Neutral" or lower to any part of the above, please comment on your reasons to help us improve

Attendance at future TS's depend on relevance of content to own research
Answers based on own availability; not reflective of School quality
Course very advanced; had expected course to be level for general audience
more practice with codes to understand literature
Too advanced; insufficient build-up of material

If there is anything else you would like to comment on, please do so below

Course felt biased towards term structure model from offset, whereas Day-1 general exposition of models may have been better. 'By day 3, lecture-preference is fine'
Lectures on day 1 very technical; would have liked more discussion of economic intuition behind it
Good lecture with clear views; going through code would have helped
More specific end of conference time and information about different events
More drink options at lunch
Great course but the accommodation options should be considered more carefully
No applications

6.2 Advances in Bayesian Analysis of DSGE Models (EUI, 1-3 Jun 2016)

Training School	Excellent	Good	Fair	Poor	Very poor	Total
Pre-meeting organisation	16	16	5			37
Local information provided	20	17				37
Meeting venue	26	7	4			37
Accommodation	9	12	9	1		31
Meals provided	13	18	5	1		37
Local organisation	21	15		1		37
Overall	18	18		1		37

Course Material	Very high	High	Neutral	Low	Very low	N/A	Total
Relevance of the course content to your personal needs	14	18	3	1		1	37
Awareness of academic level of the course	12	17	5	1		2	37
Awareness of the contents of the course	15	14	6			2	37
Lecturer's expertise	32	5					37
Quality of TA Sessions	11	17	5		2	2	37

What further features would you like to see included in future EABCN training schools? Please comment.

Split up lecture and sessions more so that it is easier to learn then cover the material (e.g. 1-hour lecture then 1-hour session and repeat)

More implementation of code and complex DSGE models in exercises as well as more in-depth MATLAB sessions

A session where participants can share their experiences using the tools in the workshop

Centre workshop more around the application of the tools to real life problems*

Possibly have a longer training school, maybe 4-5 days

Heterogeneous agents in DSGE models

More interaction between participants and tutors/lecturers

What subject areas do you think should be covered in the future in these training schools?

DSGE Theory and Estimation
Agent Based Modelling
Bayesian Estimation and interference
Micro data in macro analysis
Forecast evaluation
Macroprudential policy in DSGE Models
Adaptive Expectations
Rationality in DSGE models
Non-linear techniques
Inequality

Website

Did you use the website created for this meeting?	
Yes	27
No	0

Did you receive sufficient information about the contents of the event from the EABCN website?	
Yes	25
No	0

Please use the space below for any comments regarding the website

Very useful and organised in terms of course content, slides, coding, logistical and local information - easy to find and download in one place

Would have been useful to know about the required readings earlier

Website could have been online sooner (even if only some of the information is available) so people can book accommodation and travel sooner, also more accommodation information

After the training school	Very high	High	Neutral	Low	Very low	N/A	Total
Likelihood of using the course material in the future	23	10	3			1	37
Likelihood of attending further training schools	20	16			1		37
Likelihood of attending other EABCN events	17	15	4		1		37

If you have selected "Neutral" or lower to any part of the above, please comment on your reasons to help us improve

Course is not well organised: theoretical and practical sessions do not complement each other. Exercises in the practical sessions are not enough to grasp the material in the morning. TA is not equipped well to teach us how to implement the codes

Attending other events: depends on funding and relevance

If there is anything else you would like to comment on, please do so below

Consider restructure in terms of content and practical sessions: 'I could not find what I expect from this course We are central bank practitioners and we need more implementation of codes and exercises rather than more theoretical content.

Sound quality of the classroom could have been better, too much echo and hard to understand and follow, screen was also difficult to read sometimes.

More common practised should be covered in TA sessions, and more criteria should be mentioned

Lab sessions not too useful 'you can learn to program on your own' TA did not go into enough detail

3-day course seems too short for such detailed content, coffee at the start would be good

NB: The majority of comments regarding the organisation and content of the workshop were positive

Please rank the following items by how useful they were to you	1	2	3	Average	Ranking
Networking	2	10	23	2.6	3rd
Course material	28	7	2	1.23	1st
Knowledge exchange with peers and lecturer	8	20	8	2	2nd