Summary of Activities 2015

The institute hosted two major conferences, revived its public lecture series and continued to publish research in top peer-reviewed journals.

By year-end, the institute had added 39 new papers to its working paper series, bringing the total to 259. This was slightly below the bumper number of papers (53) circulated in the series in 2014. Of the 39 new papers, permanent staff in Dallas contributed 11, with the remainder coming from institute research associates.

Academic Research

Journal acceptances ran at almost twice the 2014 rate, making 2015 the best year to date on this front. Thirteen papers were accepted for publication:

- **International Economic Review**: Alexander Chudik’s “Size, Openness, and Macroeconomic Interdependence” (co-authored with Roland Straub).
- **Advances in Econometrics**: Chudik’s “Long-Run Effects in Large Heterogeneous Panel Data Models with Cross-Sectionally Correlated Errors” (co-authored with Mohaddes, Pesaran and Raissi).
- **Journal of International Money and Finance**: J. Scott Davis’ “Credit Booms, Banking Crises, and the Current Account” (co-authored with Adrienne Mack, Wesley Phoa and Anne Vandenabeele).
- **Economics Letters**: Davis’ “The Asymmetric Effects of Deflation on Consumption Spending: Evidence from the Great Depression,” and Martínez-García’s “On the Sustainability of Exchange Rate Target Zones with Central Parity Realignments.”

the postcrisis period, delivered as a keynote address at the Western Hemispheric Trade Conference at Texas A&M International University, was published in the *International Trade Journal*.

At year-end, staff had papers under review at the *Journal of International Economics, Journal of Monetary Economics, Journal of Applied Econometrics* and *European Economic Review*.

**Conferences**

The institute organized two major research conferences in 2015—one with Swiss National Bank (SNB), the Bank for International Settlements (BIS) and the Center for Economic Policy Research (CEPR), and the other with the Hong Kong Monetary Authority (HKMA), the European Central Bank (ECB) and the Board of Governors of the Federal Reserve System.

The conference with SNB, BIS and CEPR, “Spillovers of Conventional and Unconventional Monetary Policy: The Role of Real and Financial Linkages,” was held July 9–10 in Zurich. This was the fourth conference the institute had co-organized with SNB since the launch of the Bank’s research program on globalization and monetary policy. The conference featured presentations from researchers at the Board of Governors, University of British Columbia, SNB, ECB, University of Wisconsin–Madison, University of Montreal and Graduate Institute, Geneva. A full conference summary is provided on page 22.

The conference with HKMA, ECB and the Board of Governors, “Diverging Monetary Policies, Global Capital Flows and Financial Stability,” was held Oct. 15–16 in Hong Kong. Peter Pang, deputy chief executive of HKMA, delivered opening remarks, and ECB Vice President Vítor Constâncio gave the keynote address. Stephen Cecchetti, international...
economics professor at Brandeis University, gave the luncheon keynote address. The event featured presentations by researchers from the University of Virginia, SNB, HKMA, Seoul National University, Dallas Fed, Board of Governors, Federal Reserve Bank of Boston and ECB. A full conference summary is provided on page 28.

Staff also presented work at high-profile conferences and at university seminars. These included the 2015 International Association for Applied Econometrics conference in Thessaloniki, Greece; Hong Kong Institute for Monetary Research Conference on the Chinese Economy; Research Institute for Development, Growth and Economics (RIDGE) Workshop on Trade and Firm Dynamics; the Federal Reserve System Committee on International Economic Analysis; Midwest Trade meetings; Midwest Macroeconomics meetings; University of British Columbia Winter Finance Conference 2015; Southern Economic Association meetings; System Committee on Macroeconomics and Day-Ahead Inflation meeting; and Australasian Finance and Banking Conference.

Staff gave seminar presentations at the Boston Fed, Federal Reserve Bank of San Francisco, Keio University, University of Tokyo, Vanderbilt University, University of Nebraska–Omaha and DePaul University.

**Bank Publications**


**Public Lectures**

Some years ago, the institute launched a public lecture series with a talk on the euro crisis by Jürgen Stark, then a member of the ECB’s executive board. The institute revived the series in 2015 with public events featuring Danish global economist and author Lars Christensen and American financial journalist Roger Lowenstein. Christensen spoke on the topic “China May Never Be the World’s Largest Economy,” and Lowenstein discussed his recent book, *America’s Bank: The Epic Struggle to Create the Federal Reserve*.

Both events attracted capacity crowds. Christensen’s talk resonated with his audience as signs of slower growth in China increased in 2015, with potentially adverse implications for growth in the Asia-Pacific region and the rest of the world in 2016. The
The institute revived its public lecture series in 2015 with events featuring Danish global economist and author Lars Christensen and American financial journalist Roger Lowenstein.

thesis that China may never be the world’s largest economy contradicts recent International Monetary Fund (IMF) estimates that China is already the world’s biggest economy, at least when measured on a purchasing power parity basis, which attempts to control for price differences between rich and poor countries. Either way, China looms increasingly large in global economic developments.

Lowenstein’s book on the founding of the Fed might seem an unusual topic for a globalization institute event, but as he points out in the book, one argument of U.S. central bank advocates in the early 20th century was promotion of an international role for the dollar. As noted by many speakers at the institute’s centennial conference in 2014, the hopes of the Fed’s founders have been realized on a scale that they could not have imagined, and the Fed is in many ways the world’s de facto central bank.1

People

Everett Grant, a recent PhD from the University of Virginia, joined the institute as a research economist in July 2015. Arthur Hinojosa arrived in June as a research assistant, and Kelvinder Virdi joined in July as a research assistant. Hinojosa is a recent graduate of the University of Texas (MA, 2015) and the University of Arkansas (BA, 2014). Virdi is a recent graduate of the University of California, San Diego (BA, 2015). Hinojosa and Virdi replaced Bradley Graves and Parasrampuria, who left to attend medical school and law school, respectively.

Máximo Camacho (Universidad de Murcia), Michele Ca’Zorzi (ECB), Jaime Martínez-Martín (Bank of Spain), Kamiar Mohaddes (Cambridge University), Mehdi Raissi (IMF), Joaquin Vesprignani (University of Tasmania) and Ariel Weinberger (University of Oklahoma) joined the institute’s network of research associates.

Note