



**Bank of Albania**

**16<sup>th</sup> South-Eastern European Economic Research Workshop**

**Tirana, 5-6 December 2022**

Join us virtually here.

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Meeting ID: **814 9886 1826**

Passcode: **832200**

Dec 5, 2022 08:30 AM Tirana

Dec 6, 2022 08:30 AM Tirana

**Day 1: Monday, 5 December**

**SESSION 1, 09:00 -10:05**

**Welcome Speech**

**Gent Sejko**, Governor, Bank of Albania

**H.E. Ms. Ruth Huber**, Ambassador, Swiss Embassy

**Group photo**

**I. POLICY COORDINATION FOR MACROECONOMIC STABILITY**

**Chair: Altin Tanku**, Director of the Research Department, Bank of Albania

**1. *Searching for Neo-Fisher: A Model of Animal Spirit Driven Recessions***

**Jacob Robbins** (*University of Illinois, Chicago, USA*)

**2. *The Currency Composition Channel of Monetary Policy and the Role of Macprudential Regulation***

**Kyriakos Neanidis, Christos S. Savva** (*University of Manchester, UK*)

**Discussant: Altin Tanku** (*Bank of Albania*)

**3. *Understanding Inflation Dynamics: The Role of Government Expenditures***

**Yinxi Xie, Chang Liu** (*Bank of Canada, National University of Singapore*)

*Discussant: Gonzalo Huertas (IMF)*

#### Questions and Answers

#### **SPECIAL SESSION: Central Bank and Digital Money, 10:05 – 10:45**

**Chair:** Luljeta Minxhozi, First Deputy Governor, Bank of Albania

**Keynote Speaker:** Manmohan Singh, Senior Financial Economist, International Monetary Fund

**1. *Digital Money and Central Bank Operations***

Charles Kahn, Manmohan Singh, Jihad Alwazir (IMF)

#### Questions and Answers

Coffee Break 10:45 – 11:00

#### **SESSION 2, 11:00 – 12:30**

##### **MONETARY POLICY AND CENTRAL BANK CHALLENGES**

**Chair:** Luljeta Minxhozi, First Deputy Governor, Bank of Albania

**1. *Output Gap Estimation and Monetary Policy with Imperfect Knowledge***

Pei Kuang, Kaushik Mitra, Li Tang (University of Birmingham, UK)

**2. *Stock Market Bubbles and Monetary policy: a Bayesian Analysis***

Arthur Galichere (University of Warwick, UK)

**3. *Households Saving Dynamics in a Continuous-time Adaptive Learning Heterogeneous-Agent New Keynesian Economy***

Matteo Bondesan (ECB, University of Turin, Collegio Carlo Alberto, Italy)

**4. *Monetary policy in a two-country model with behavioral expectations***

Michał Brzoza-Brzezina, Paweł Galiński, Krzysztof Makarski (National Bank of Poland)

**Discussant:** Matteo Bondesan (ECB, University of Turin, Collegio Carlo Alberto, Italy)

#### Questions and Answers

#### **POSTER SESSION AND LUNCH BREAK, 12:30 – 14:30**

**1. *Militarization and Income Inequality in European Countries (2000-2017)***

Raul Caruso, Antonella Biscione (Catholic University "Our Lady of the Good Counsel", Tirana)

**2. *Non-performing Loans and Bank Lending Behavior***

**Ardit Gjeçi, Matej Marinč, Vasja Rant** (*University of New York, Tirana. University of Ljubljana, Slovenia*)

**3. *Deprivation, mobility considerations and life satisfaction: A comparative study of 33 European countries***

**Elvisa Drishti, Edvin Zhllima, Blendi Gerdoçi** (*University of Shkodra. Agricultural University of Tirana. University of Tirana*)

**4. *Albanian banking imperatives for managing Climate risk***

**Lindita Molishti** (*Bank of Albania*)

**5. *The Analysis of Albanian banking system, using the ROE's decomposition method***

**Fiqiri Baholli** (*Bank of Albania*)

**6. *Employing Big Data tools to inquire into Albania's residential housing price trends***

**Orion Garo** (*Bank of Albania*)

**SESSION 3, 14:30 – 15:45**

**PRICES AND INFLATION DYNAMICS IN REAL ECONOMY**

**Chair: Marek Košny** (*Deputy Dean for Scientific Research, Wroclaw University, Poland*)

**1. *Non-linear Dynamics in Inflation Expectations: Evidence from Turkey***

**Omer Cayirli, Koray Kayalidere, Huseyin Aktas** (*Manisa Celal Bayar University, Turkey*)

**2. *Central Bank Balance Sheet and Inflation in a Small Open Euroized Economy with Constrained Capital Markets***

**Gent Sejko, Altin Tanku** (*Bank of Albania*)

**3. *An Empirical Analysis on Inflation Rates Observed After COVID-19 Pandemic***

**Gulgun Arikan** (*Bogazici University, Istanbul, Turkey*)

**Discussant: Meri Papavangjeli** (*Bank of Albania*)

**4. *The Global Financial Cycle Meets Global Imbalances***

**Julien Acalin** (*Johns Hopkins University, USA*)

**Discussant: Manmohan Singh** (*IMF*)

**Questions and Answers**

**Coffee Break 15:45 – 16:00**

**SESSION 4, 16:00 – 17:15**

## **CURRENT FISCAL, MONETARY ISSUES AND MACROPRU**

**Chair:** Elona Dushku, *Bank of Albania*

**1. Emerging Balkan Countries Sovereign Bond Spreads: Additional Factors Are at Play**

**Arjan Kadareja, Ardita Todri** (*University of New York, Tirana*)

**Discussant:** Gerti Shijaku (*Bank of Albania*)

**2. Substituting banks: effects on investments**

**Francesco Bripi** (*Bank of Italy – Milan office*)

**3. Political budget cycle – does participation in IMF programs matter?**

**Drini Imami, Endrit Lami** (*Agriculture University of Tirana, Ministry of Finance and Economy of Albania*)

**Discussant:** Fiqiri Baholli (*Bank of Albania*)

**4. The art of conducting macropru**

**Yannick Lucotte, Florian Pradines-Jobet** (*University of Orléans, France*)

### **Questions and Answers**

## Day 2: Tuesday, 6 December

### SESSION 1, 09:00 – 10:10

#### INTERNATIONAL SPILLOVERS FOR SMALL OPEN ECONOMIES

Chair: Matteo Bondesan *ECB, University of Turin, Collegio Carlo Alberto, Italy*

1. *Why follow the Fed? Monetary policy in times of US tightening*  
**Gonzalo Huertas** (*IMF*)
2. *Remittances in times of crisis: evidence from Italian Corridors*  
**Alessio Ciarlone** (*Bank of Italy*)  
**Discussant: Elona Dushku** (*Bank of Albania*)
3. *What drives consumer price index changes: an empirical analysis of a selection of Western Balkan countries*  
**Flora Merko, Ermira H. Kalaj, Alma Zisi** (*Aleksander Moisiu University of Durrës, Albania; University of Shkodra, Albania*)

#### Questions and Answers

Coffee Break 10:10 – 10:25

### SESSION 2, 10:25 – 11:45

#### NEW CHALLENGES FOR CENTRAL BANKING

Chair: Alessio Ciarlone, *Bank of Italy*

1. *Flight to climatic safety: local natural disasters and global portfolio reallocation*  
**Fabrizio Ferriani, Andrea Gazzani, Filippo Natoli** (*Bank of Italy*)  
**Discussant: Gerti Shijaku** (*Bank of Albania*)
2. *Central Banks and Climate Policy: Unpleasant Trade-Offs? A Principal-Agent Approach*  
**Donato Masciandaro, Riccardo Russo** (*Università Luigi Bocconi, King's College London*)
3. *Climate Risks in Albania and their Relevance to the Central Bank*  
**Margerita Topalli, Pierre Monnin** (*Bank of Albania, Council on Economic Policies - CEP*)
4. *An assessment of climate change related risk in the case of the Western Balkan countries*  
**Gerti Shijaku, Pierre Monnin** (*Bank of Albania, Council on Economic Policies - CEP*)

#### Questions and Answers

Coffee Break 11:45 – 12:00

**SESSION 3, 12:00 – 13:10**

**THE MICROECONOMICS OF HOUSEHOLDS & BUSINESSES**

Chair: Ilir Vika, Bank of Albania

1. *Are women truly less financially literate than men? On methodological problems with measuring knowledge*  
Paweł Kuśmierczyk, Radosław Kurach, Marek Kośny (Wrocław University, Poland)
2. *Evidences on households financial Fragility in Western Balkan countries beforehand Covid 19*  
Elona Dushku (Bank of Albania)
3. *A Micro-Analysis of Household Saving Behaviour in Albania*  
Ola Çami (Bank of Albania)

Discussant: Kliti Ceca (Bank of Albania)

Questions and Answers

**LUNCH BREAK 13:10 – 15:10**

Visit at the Museum of the Bank of Albania (Optional)

**SESSION 4, 15:10 – 16:30**

**BANKING, FINANCIAL STABILITY ISSUES IN EUROPE**

Chair: Kliti Ceca, Deputy Director of the Research Department, Bank of Albania

1. *Macroprudential Policies and Bank Risk-taking under Persistently Low-interest-rate Environment*  
Jose D. Garcia Revelo (Univ. Orléans, LEO, Orléans, France)
2. *Does money matter for predicting prices in Albania?*  
Blerina Vika, Denada Xhaja, Ilir Vika (University of Tirana, Bank of Albania)
3. *Credit, financial conditions and monetary policy*  
Meri Papavangjeli (Bank of Albania)
4. *Household Credit, Corporate Credit and the Real Economy: Empirical Evidence*  
Bledar Hoda (Bank of Albania)

Questions and Answers