

## **Florin O. BILBIIE**

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### **Sept 2006 - March 2007:**

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### **Otherwise:**

Nuffield College, New Road, OX1 1NF, Oxford, UK.

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**NB:** I will be in the UK from **Nov 15 to Dec 25**

**Personal:** Born 22.04.1976, Romanian (European Union as of January 2007), Male.

## **PRESENT POSITIONS**

**Sept. 2006 – Mar. 2007** Visiting Scholar, **National Bureau of Economic Research**, Cambridge, MA

Oct. 2004 - Sept. 2007 Prize Research Fellow in Economics, **Nuffield College, Oxford University**

## **EDUCATION AND RELATED HONORS**

**Ph.D. (Economics)**, **European University Institute (EUI)**, Florence, Sept. 2004; Thesis: *Eclectic Essays in Fiscal and Monetary Policy*; **Highest GPA** in the history of Department, **3.92 (A/A+)**

**M.A. (Economics)** by resolution, **University of Oxford**, 2004.

Visiting **Research Scholar**, **University of California at Berkeley**, Spring 2003.

**M.Sc. (Economics)**, **University of Warwick**, Aug. 2000, **First in my class** (Distinction equivalent).

**M.Sc. (Finance)**, **Doctoral School of Finance and Banking, Academy of Economic Studies**, Bucharest, Sept 1999, **First in my class (GPA 9.77/10)**

**B.Sc. (Finance)**, **Academy of Economic Sciences**, Department of Finance, Banking and Financial Markets, Bucharest, Sept. 1998, **Top 1%**

## **REFERENCES**

- **Professor Roberto PEROTTI** (Advisor), **IGIER** and **Universita Bocconi**, Via Salasco 5, 20136 Milano, Italy; [roberto.perotti@uni-bocconi.it](mailto:roberto.perotti@uni-bocconi.it)
- **Professor Giancarlo CORSETTI** (Advisor), **European University Institute**, Vila San Paolo, Via della Piazzuola 43, 50129 Florence, Italy; [giancarlo.corsetti@eui.eu](mailto:giancarlo.corsetti@eui.eu)
- **Professor Jordi GALI** (Thesis Committee Member), **Universitat Pompeu Fabra** and **CREI**, Ramon Trias Fargas, 25-27, 08005 Barcelona, Spain; [jordi.gali@upf.edu](mailto:jordi.gali@upf.edu)
- **Professor Michael WOODFORD**, **Columbia University**, 420 W. 118th Street, New York, NY 10027; [michael.woodford@columbia.edu](mailto:michael.woodford@columbia.edu)
- **Professor Marc MELITZ** (Co-author), **Princeton University**, 308 Fisher Hall, Princeton, NJ 08544; [mmelitz@princeton.edu](mailto:mmelitz@princeton.edu)

## **FIELDS**

**Primary:** Macroeconomic Theory and Monetary Economics;

**Secondary:** Applied Time Series, Financial Economics.

## **TEACHING AND SUPERVISION EXPERIENCE**

- Autumn 2006 and 2005, Lecturer on ‘**Dynamic Stochastic General Equilibrium Macroeconomics**’, MPhil/DPhil Core course, Department of Economics, **Oxford University**.
- **Main thesis advisor** for Fabian Eser (Nuffield College, **Oxford University**) on MPhil Thesis: ‘Fiscal Stabilization in a New Keynesian Model’ (**distinction** grade) and on DPhil Thesis (in course).

- Oct. 2004 – June 2005: Class Teacher in **Macroeconomics**, MPhil/DPhil core course, Department of Economics, **Oxford University**
- Oct. 2002 – Jan. 2003: **Teaching Assistant** to **Roberto Perotti**, ‘Advanced Macroeconomics’ course at **European University Institute** (PhD 1st years);
- Apr. 2001: short course on ‘Monetary Policy’, **Doctoral School of Finance**, Bucharest.
- Oct. 1998 - Oct. 1999: Academy of Economic Studies, Department of Money and Finance, Bucharest – **Assistant Lecturer**: Taught (final-year undergraduate) classes in **Financial Engineering and Option Pricing**, **Financial Modelling** and **Monetary Theory and Policy**.

### **JOB MARKET PAPERS (OTHER PAPERS BELOW)**

**1 “Endogenous Entry, Product Variety and Business Cycles”** with Fabio Ghironi (Boston College) and Marc Melitz (Princeton). Presented *i.a.* at [NBER’s Economic Fluctuations and Growth Meeting](#), New York, Sept. 2006.

**Abstract:** This paper builds a framework for the analysis of macroeconomic business cycles that incorporates the endogenous determination of the number of producers over the business cycle. Economic expansions induce higher entry rates by prospective entrants subject to irreversible investment costs. The sluggish response of the number of producers (due to the sunk entry costs) generates a new and potentially important endogenous propagation mechanism for real business cycle model; this mechanism relies on a ‘new’ type of investment (shares to finance new products), whose price fluctuates endogenously without adjustment costs. The model performs at least as well as the traditional setup with respect to the implied second-moment properties of key macroeconomic aggregates. In addition, our framework jointly predicts a procyclical number of producers and procyclical profits even for preference specifications that imply countercyclical markups. Remarkably, when we add physical capital, the model can reproduce the variance and autocorrelation of output found in the data. (Related: ‘*Inflation, Markups and Monetary Policy with Endogenous Entry and Product Variety*’, in preparation for the *NBER Macroeconomics Annual 2007* and *Monopoly Power and Endogenous Variety in Dynamic Stochastic General Equilibrium: Distortions and Remedies*’.)

**2.a “Limited Asset Market Participation, Monetary Policy and (Inverted) Keynesian Logic”** (revised and resubmitted to *Journal of Economic Theory*) Working Paper, Nuffield College, Oxford University, WP2005-09.

**Abstract:** This paper incorporates limited asset markets participation in dynamic general equilibrium and develops a simple analytical framework for monetary policy analysis. Aggregate dynamics and stability properties of an otherwise standard business cycle model depend nonlinearly on the degree of asset market participation. While ‘moderate’ participation rates strengthen the role of monetary policy, low enough participation causes an inversion of results dictated by (‘Keynesian’) conventional wisdom. The slope of the ‘IS’ curve changes sign, the ‘Taylor principle’ is inverted, optimal welfare-maximizing discretionary monetary policy requires a passive policy rule and the effects and propagation of shocks are changed. However, a targeting rule implementing optimal policy under commitment delivers equilibrium determinacy regardless of the degree of asset market participation. Our results may justify Fed’s behavior during the Great Inflation period. Presentation would also draw on companion paper:

**2.b “Asset Market Participation, Monetary Policy Rules and the Great Inflation”**, (submitted) with Roland Straub, *International Monetary Fund Working Paper* 06/2006.

**Abstract:** This paper uses an empirically richer version of previous paper’s model to argue that limited asset market participation is crucial in explaining U.S. macroeconomic performance and monetary policy before the 1980s, and their changes thereafter. We argue that the policy of the Federal Reserve in the pre-Volcker era, often associated with a passive monetary policy rule, was closer to optimal than conventional wisdom suggests and may thus have remained unchanged at a fundamental level thereafter. We provide institutional and empirical evidence for our hypothesis, in the latter case using Bayesian estimation techniques, and show that our model is able to explain most features of the ‘Great Inflation’.

### **PAST, NON-TEACHING WORK HISTORY**

- Nov. 2004 – Oct. 2005, **Research Associate**, Centre for Economic Performance, **London School of Economics and Political Science**.
- July Sept. 2004, **Graduate Research Programme**, **European Central Bank**, Dir General

Research.

- Jan. - June 2004, **Research Assistant**, 'Policy Analysis for a Global Economy', EUI and RSCAS.
- Sept. 2003 - Jan. 2004, **Research Associate**, European Forecasting Network, Team Leader **Michael Artis**, EUI and RSCAS
- Oct. 2002 – Jan. 2003 **Research Assistant** to **Roberto Perotti**.
- July – Sept. 2002 **Bank of England**, *International Economic Analysis* (MA5), Research internship.
- **Internships**: Institute of Economic Forecasting, Romanian Academy of Sciences, 1999; Investment Bank Austria, Bucharest, 1997; Commercial Bank of Romania, 1996; Sterom Oilfield Equipment Romania, 1995.

### **MAIN AWARDS AND SCHOLARSHIPS**

- **Prize Research Fellowship**, **Nuffield College, Oxford University**, Oct. 2004 for 3 years.
- **Full scholarship** for whole duration of PhD from the *Italian Foreign Affairs Ministry* and EUI (Sept. 2000 - Sept. 2004)
- **Scholarship** (by contest) of EUI and **UC Berkeley** for one-semester research visit, spring 2003 .
- **First ever 'Olga Radzyner Award'** for *best Young Economist* from Central, Southern and Eastern Europe by **National Bank of Austria (OENB)**, Research Division, Nov. 2000
- *'Open Society Institute-Soros Foundation-University of Warwick Chevening'* Scholarship for MSc Econ. Studies at Warwick (Sept. 1998-Sept 1999)
- **Scholarships** for MSc Finance and BSc Finance (Romanian Education Ministry), 1994-1999.

### **OTHER PAPERS (Abstracts on webpage)**

**Macroeconomic Implications of Endogenous Entry, Variety and Exit** – all with Fabio Ghironi and Marc Melitz.

- *'Inflation, Markups and Monetary Policy with Endogenous Entry and Product Variety'*, in preparation for the *NBER Macroeconomics Annual 2007*.
- *'Monopoly Power and Endogenous Variety in Dynamic Stochastic General Equilibrium: Distortions and Remedies'*
- *'Entry, Investment and Asset Prices'*, in preparation.

### **Macroeconomic Implications of Limited Asset Market Participation**

- *'Saving the Output Euler Equation'*, with Roland Straub; in progress.

### **Fiscal Policy in General Equilibrium**

- *'Fiscal Policy, Business Cycles and Labour Market Fluctuations'*, with Roland Straub, WP 2004-6 at Hungarian National Bank.
- *'What Accounts for the Change in U.S. Fiscal Policy Transmission?'*, (submitted) with Gernot Mueller and Andre Meier, ECB Working Paper 2006/582
- *'Non-Separable Preferences, Fiscal Policy 'Puzzles' and Inferior Goods'*, (submitted) Mimeo.

### **Political Economy and Macroeconomic Policy**

- *'Incomplete Fiscal Rules with Imperfect Enforcement'*, (submitted) with David Stasavage, Working Paper, Nuffield College, Oxford University, WP2005-10
- *'Fiscal Contracts for a Monetary Union'*, (submitted) 2001, Working Paper, Nuffield College, Oxford University, WP2005-11.
- *'Deus ex machina' wanted! Time inconsistency of time consistency 'solutions''* (submitted). 2002, Working Paper, Nuffield College, Oxford University, WP2005-12
- *'The utopia of implementing international monetary policy cooperation through domestic institutions'*, (submitted) 2002, Working Paper, Nuffield College, Oxford University, WP2005-13
- *'Delegation and coordination in fiscal-monetary policy games: Implementation of the best feasible equilibrium'*, 2001-Working Paper ECO 2001/13, **EUI**.
- *'Inflation targets and contracts and strategic incentives for delegation in international monetary policy'*, 2000, Olga Radzyner Award – Working Paper ECO 2001/16 at **EUI**

## **PROFESSIONAL SERVICE**

- **Co-organizer**, *Macroeconomics and International Seminar*, Nuffield College, Oxford University
- **Editor** till Oct. 2004 European Economic Association Student Newsletter Online.
- Jan-Oct 2004, **Co-Organizer** of *Monetary Economics Working Group* at EUI.
- **Referee** for *Journal of the European Economic Association*; *Journal of International Economics*; *Economic Journal*, *Journal of Economic Dynamics and Control*, *Macroeconomic Dynamics*, *International Journal of Central Banking*, *International Journal of Economic Theory*, *Oxford Economic Papers*; MIT Press. Research Assistant for *Economic Policy*.

## **CONFERENCES, WORKSHOPS AND SEMINARS**

### **Selected Conferences:**

**2006:** The NBER Economic Fluctuations and Growth Research Meeting, September, New York; DYNARE Conference, Paris; CEPR Conference on 'Monetary Policy with Financial Imperfections', Amsterdam. **2005:** NBER Summer Institute, Impulse and Propagation Mechanism working group, Cambridge, MA; European Summer Symposium in Macroeconomics, CEPR and Bank of Cyprus, Limassol; **2004:** 'IIIrd Workshop in Dynamic Macroeconomics', Bocconi University, Milan; European Summer Symposium in Macroeconomics, CEPR and Bank of Spain, Tarragona; 'Designing a Macroeconomic Framework for Europe', Universitat Pompeu Fabra, Barcelona; **2003:** CEPR-INSEAD Macroeconomics Workshop on 'Monetary Policy Effectiveness', Fontainebleau; CES-IFO workshop on 'Monetary Unions', Venice; Fiscal Aspects of Monetary Unions, Robert Schumann Centre for Advanced Studies, Florence **2002:** 'Spring Meeting of Young Economists' Sorbonne, Paris; CEPR-INSEAD Macroeconomics Workshop on 'Political, Institutional and Economic Determinants of Fiscal Policy'; **2000:** 'East-West Conference', National Bank of Austria, Vienna; 'Open Society Institute – Soros Scholars' Annual Meeting, University of York; Invited lecture in economics at the summer school 'Romania of the XXIst century', Bucharest.

### **Departmental seminars and workshops:**

**2006:** Harvard, Paris 1 Pantheon-Sorbonne/Paris-Jourdan; Pierre Werner Chair Seminar, Robert Schumann Centre, EUI, Florence; **2005:** London School of Economics; London Business School; IGIER-Universita' Bocconi; Bank of England; Doctoral School of Finance, Bucharest; **2004:** CREI, Universitat Pompeu Fabra; European Central Bank, Research Department; Nuffield College, Oxford University, Birkbeck College, University of London; **2003:** European University Institute **2002:** European University Institute; Bank of England (2); **2001:** European University Institute (2); **2000:** Doctoral School of Finance, Bucharest.

## **LANGUAGE AND COMPUTER SKILLS**

- **Romanian, English, Italian** (all fluent), **Spanish** (good), **French** (average).
- GAUSS, Matlab, Maple, EViews, PcGive, RATS, Scientific Workplace, etc.