



AREA CONFERENCE ON MACRO, MONEY & INTERNATIONAL FINANCE

PROGRAMME

Friday, 23 March 2012

09:00 – 09:10 **Welcome & Introduction**
PAUL DE GRAUWE

Session 1 – Plenary Session (Ludwig Erhard Room) Financial Crisis

09:10 – 09:55 **Review of Theories of Financial Crises**
Itay Goldstein and ASSAF RAZIN
Discussant: Gianni de Nicolò

09:55 – 10:40 **Systemic Real and Financial Risks: Measurement, Forecasting, and Stress Testing**
GIANNI DE NICOLÒ and Marcella Lucchetta
Discussant: Assaf Razin

10:40 – 11:00 Coffee Break

Parallel Session 2a (Richard Musgrave Room) Debt and Deficits

11:00 – 11:45 **Foreign Currency Loans and Loan Arrears of Households in CEEC's**
Elisabeth Beckmann, JARKO FIDRMUC and Helmut Stix
Discussant: Christophe Rault

11:45 – 12:30 **Exploring the Long-Run Relationship between Budget and Current Account Balances: Empirical Evidence for EU and OECD Countries**
António Afonso and CHRISTOPHE RAULT
Discussant: Jarko Fidrmuc

Parallel Session 2b (Ludwig Erhard Room) Shocks and the Macroeconomy

11:00 – 11:45 **Oil and the U.S. Macroeconomy: A Reinvestigation using Rolling Impulse Responses**
MARC GRONWALD
Discussant: General Discussion

11:45 – 12:30 **Interest Rate Pass-Through in the Euro Area, Macroeconomic Shocks and the Global Financial Crisis**
OLIVER HÜLSEWIG and Timo Wollmershäuser
Discussant: General Discussion



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12:30 – 13:30 Lunch

Parallel Session 3a (Richard Musgrave Room) Spill-Overs in Financial Markets

13:30 – 14:15 **Volatility Spillovers and Contagion from Mature to Emerging Stock Markets**

John Beirne, GUGLIELMO MARIA CAPORALE, Marianne Schulze-Ghattas and Nicola Spagnolo

Discussant: Rabah Arezki

14:15 – 15:00 **Are There Spillover Effects from Munis?**

RABAH AREZKI

Discussant: Guglielmo Maria Caporale

Parallel Session 3b (Ludwig Erhard Room) Financial Crisis

13:30 – 14:15 **Do Broken Speed Limits of Debt Predict Financial Crises?**

Kasper Kragh-Sørensen and GERNOT DOPPELHOFER

Discussant: Christoph Trebesch

14:15 – 15:00 **Sovereign Defaults: The Price of Haircuts**

Juan J. Cruces and CHRISTOPH TREBESCH

Discussant: Gernot Doppelhofer

15:00 – 15:15 Coffee Break

Parallel Session 4a (Richard Musgrave Room) Financial Development

15:15 – 16:00 **Financial Development and Income Inequality**

Sebastian Jauch and SEBASTIAN WATZKA

Discussant: Mathias Hoffmann

16:00 – 16:45 **By a Silken Thread: Regional Banking Integration and Pathways to Financial Development in Japan's Great Recession**

MATHIAS HOFFMANN and Toshihiro Okubo

Discussant: Sebastian Watzka



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Parallel Session 4b (Ludwig Erhard Room) Banking

- 15:15 – 16:00 **Flight to Where? Evidence from Bank Investments During the Financial Crisis**
Thomas Hildebrand, JÖRG ROCHOLL and Alexander Schulz
Discussant: Claudia Buch
- 16:00 – 16:45 **Do Better Capitalized Banks Lend Less? Long-Run Panel Evidence from Germany**
CLAUDIA BUCH and Esteban Prieto
Discussant: Jörg Rocholl
- 16:45 – 17:00 **Coffee Break**

Session 5 – Plenary Session (Ludwig Erhard Room) Monetary Policy

- 17:00 – 17:45 **Markets' Beliefs about the Effectiveness of Non-Standard Monetary Policy Measures**
CARLO ALTAVILLA and Domenico Giannone
Discussant: Gerhard Illing
- 17:45 – 18:30 **“Interest Rate Trap”, or: Why does the Central Bank Keep the Policy Rate Too Low for Too Long Time?**
Jin Cao and GERHARD ILLING
Discussant: Carlo Altavilla



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Saturday, 24 March 2012

Session 6 – Plenary Session (Ludwig Erhard Room) Presentations by Distinguished CESifo Affiliate Award Candidates

- 09:00 – 09:40 **Customer Markets, Non-Separable Utility and The Real Effects of Monetary Policy Shocks**
NIKOLAY HRISTOV
- 09:40 – 10:20 **Evolving Malthusian Dynamics and the Industrial Revolution: Evidence from a Time-Varying VAR**
ALEXANDER RATHKE and Samad Sarferaz
- 10:20 – 11:00 **Macroeconomic Uncertainty and the Impact of Oil Shocks**
INE VAN ROBAYS

11:00 – 11:15 **Coffee Break**

Parallel Session 7a (Ludwig Erhard Room) Exchange Rates

- 11:15 – 12:00 **Exchange Rate Expectations of Chartists and Fundamentalists**
Christian D. Dick and LUKAS MENKHOFF
Discussant: Yin-Wong Cheung
- 12:00 – 12:45 **Exchange Rate Misalignment Estimates-Sources of Differences**
YIN-WONG CHEUNG and Eiji Fujii
Discussant: Lukas Menkhoff

Parallel Session 7b (Richard Musgrave Room) Macro

- 11:15 – 12:00 **Resource Rents, Democracy and Corruption: Evidence from Sub-Saharan Africa**
Rabah Arezki and THORVALDUR GYLFASON
Discussant: Michel Beine
- 12:00 – 12:45 **Dutch Disease and the Mitigation Effect of Migration: Evidence from Canadian Provinces**
MICHEL BEINE, Serge Coulombe and Wessel N. Vermeulen
Discussant: Thorvaldur Gylfason
- 12:45 – 14:00 Lunch

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Parallel Session 8a (Richard Musgrave Room) Exchange Rates

- 14:00 – 14:45 **The Signalling Channel of Central Bank Interventions: Modelling the Yen / US Dollar Exchange Rate**
Yu-Fu Chen, MICHAEL FUNKE, and Nicole Glanemann
Discussant: Evžen Kočenda
- 14:45 – 15:30 **The Impact of Macro News and Central Bank Communication on Emerging European Forex Markets**
Balázs Égert and EVŽEN KOČENDA
Discussant: Michael Funke

Parallel Session 8b (Ludwig Erhard Room) Monetary Union

- 14:00 – 14:45 **The Eurozone Needs Exit Rules**
Christian Fahrholz and CEZARY WÓJCIK
Discussant: Reinhard Neck
- 14:45 – 15:30 **Monetary and Fiscal Policies in a Dynamic Game Model of the EMU**
Dmitri Blueschke and REINHARD NECK
Discussant: Cezary Wójcik
- 15:30 – 15:45 **Coffee Break**

Session 9 – Plenary Session (Ludwig Erhard Room) Eurozone and Public Debt

- 15:45 – 16:30 **Fiscal Sustainability in the Presence of Systemic Banks: The Case of EU Countries**
AGNÈS BÉNASSY-QUÉRÉ and Guillaume Roussell
Discussant: Paul De Grauwe
- 16:30 – 17:15 **Mispricing of Sovereign Risk and Multiple Equilibria in the Eurozone**
PAUL DE GRAUWE and Yuemei Ji
Discussant: Agnès Bénassy-Quéré
- 19:00 **Conference Dinner**