



# AREA CONFERENCE ON MACRO, MONEY & INTERNATIONAL FINANCE

## PROGRAMME

**Friday, 22 February 2013**

09:00 – 09:10 **Welcome & Introduction**  
PAUL DE GRAUWE (The London School of Economics & Political Science)

### **Keynote Lecture (Ludwig Erhard Room)\***

09:10 – 10:10 **Booms and Systemic Banking Crisis**  
FRANK SMETS (European Central Bank)

10:10 – 10:30 Coffee Break

### **Parallel Session 1a (Ludwig Erhard Room) Special Session 'Banking and the Macroeconomy'\***

10:30 – 11:10 **Money Market Funds Intermediation, Bank Instability and Contagion**  
Marco Cipriani, Antoine Martin and BRUNO M. PARIGI (University of Padova)

11:10 – 11:50 **Bank Competition and Financial Stability: A General Equilibrium Exposition**  
GIANNI DE NICOLÒ (International Monetary Fund) and Marcella Lucchetta

### **Parallel Session 1b (Richard Musgrave Room) Fiscal Policy**

10:30 – 11:10 **Government Spending Shocks and the Multiplier: New Evidence from the U.S. Based on Natural Disasters**  
Weonho Yang, JAN FIDRMUC (Brunel University) and Sugata Ghosh

11:10 – 11:50 **Cross-Border Effects of Fiscal Consolidations: Estimates Based on Narrative Records**  
SHAFIK HEBOUS (Goethe University Frankfurt) and Tom Zimmermann

11:50 – 12:00 Coffee Break

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### Parallel Session 2a (Ludwig Erhard Room) Euro Area Imbalances

- 12:00 – 12:40 **The Impact of Market Regulations on Intra-European Real Exchange Rates**  
AGNÈS BÈNASSY-QUÈRÈ (University Paris 1) and Dramane Coulibaly
- 12:40 – 13:20 **Fiscal Spillovers in the Euro Area**  
GUGLIELMO MARIA CAPORALE (Brunel University) and Alessandro Girardi

### Parallel Session 2b (Richard Musgrave Room) Exchange Rate Policy

- 12:00 – 12:40 **Short- and Long-Term Growth Effects of Exchange Rate Adjustment**  
EVŽEN KOČENDA (Charles University), Mathilde Maurel and Gunther Schnabl
- 12:40 – 13:20 **Overvalued: Swedish Monetary Policy in the 1930s**  
ALEXANDER RATHKE (University of Zurich), Tobias Straumann and Ulrich Woitek
- 13:20 – 14:30 Lunch

### Plenary Session 3 (Ludwig Erhard Room) Presentations by Distinguished CESifo Affiliate Award Candidates

- 14:30 – 15:00 **Central Banking and Financial Stability**  
JIN CAO (Norges Bank) and Loran Chollete
- 15:00 – 15:30 **Bank Capital Regulation with an Opportunistic Rating Agency**  
MATTHIAS EFING (University of Geneva)
- 15:30 – 16:00 **News and Financial Intermediation in Aggregate and Sectoral Fluctuations**  
CHRISTOPH GÖRTZ (University of Birmingham) and John D. Tsoukalas
- 16:00 – 16:30 **Synchronization and International Shocks to Inflation Uncertainty in the G7**  
STEFFEN HENZEL (ifo Institute) and Elisabeth Wieland
- 16:30 – 16:45 Coffee Break

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### Parallel Session 4a (Ludwig Erhard Room) Monetary Policy

- 16:45 – 17:25 **How Experts Decide: Preferences or Private Assessments on a Monetary Policy Committee?**  
STEPHEN HANSEN (Universitat Pompeu Fabra), Michael McMahon and Carlos Velasco Rivera
- 17:25 – 18:05 **Interest Rates, ECB Communication and Inflation Expectations**  
Michael J. Lamla and JAN-EGBERT STURM (ETH Zurich)

### Parallel Session 4b (Richard Musgrave Room) Public Debt

- 16:45 – 17:25 **Multi-Step Analysis of Public Finances Sustainability**  
António Afonso and CHRISTOPHE RAULT (University of Orleans)
- 17:25 – 18:05 **Public Debt, Economic Growth and Nonlinear Effects: Myth or Reality?**  
BALÁZS ÉGERT (OECD)



# AREA CONFERENCE ON MACRO, MONEY & INTERNATIONAL FINANCE

**Saturday, 23 February 2013**

## **Parallel Session 5a (Ludwig Erhard Room) Target Balances**

- 09:00 – 09:40 **Target Balances and the German Financial Account in Light of the European Balance-of-Payments Crisis**  
TIMO WOLLMERSHÄUSER (Ifo Institute) and Hans-Werner Sinn
- 09:40 – 10:20 **What Drives Target2 Balances? Evidence from a Panel Analysis**  
RAPHAEL A. AUER (Swiss National Bank)

## **Parallel Session 5b (Richard Musgrave Room) Miscellaneous**

- 09:00 – 09:40 **Oil Prices, Exchange Rates and Asset Prices**  
Marcel Fratzscher, Daniel Schneider and INE VAN ROBAYS (European Central Bank)
- 09:40 – 10:20 **On the Optimal Mix of Fiscal and Monetary Policy Actions**  
APOSTOLIS PHILIPPOPOULOS (Athens University of Economics and Business),  
Petros Varthalitis and Vangelis Vassilatos
- 10:20 – 10:30 Coffee Break

## **Plenary Session (Ludwig Erhard Room) Panel Discussion “Euro Crisis”**

- 10:30 – 11:30 PAUL DE GRAUWE and HANS-WERNER SINN
- 11:30 – 11:40 Coffee Break

## **Parallel Session 6a (Ludwig Erhard Room) Euro Area**

- 11:40 – 12:20 **Household Debt, Aggregate Demand, and its Effects on Unemployment – Evidence from European Countries and Spanish Provinces**  
Sebastian Jauch and SEBASTIAN WATZKA (University of Munich)
- 12:20 – 13:00 **The Tragedy of the Commons and Inflation Bias in the Euro Area**  
Valeriya Dinger, Sven Steinkamp and FRANK WESTERMANN (Osnabrueck University)

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### Parallel Session 6b (Richard Musgrave Room) Exchange Rate Determination

- 11:40 – 12:20 **From Bust to Boom: Systematic Consumption Risk in Currency Returns**  
MATHIAS HOFFMANN (University of Zurich) and Rahel Suter
- 12:20 – 13:00 **Currency Risk Premia and Macro Fundamentals**  
LUKAS MENKHOFF (University of Hannover), Lucio Sarno, Maik Schmelling and  
Andreas Schrimpf
- 13:00 – 14:00 Lunch

### Keynote Lecture (Ludwig Erhard Room)\*

- 14:00 – 15:00 **Global Banks, Financial Shocks and International Business Cycles**  
ROBERT KOLLMANN (Université Libre de Bruxelles)
- 15:00 – 15:15 Coffee Break

### Parallel Session 7a (Ludwig Erhard Room) Special Session 'Banking and the Macroeconomy'\*

- 15:15 – 15:55 **Big Banks and Macroeconomic Outcomes: Theory and Cross-Country Evidence of Granularity**  
Franziska Bremus, CLAUDIA M. BUCH (University of Tuebingen), Katheryn N. Russ  
and Monika Schnitzer
- 15:55 – 16:35 **Credit Shocks and Macroeconomic Fluctuations in Emerging and Low Income Economies**  
ROMAIN HOUSSA (University of Namur), Jolan Mohimont and Chris Otrok

### Parallel Session 7b (Richard Musgrave Room) China and Japan

- 15:15 – 15:55 **The Penn Effect within a Country – Evidence from Japan**  
YIN-WONG CHEUNG (City University of Hong Kong) and Eiji Fujii
- 15:55 – 16:35 **The Dynamics of Catch-up and Skill and Technology Upgrading in China**  
Xi Chen and MICHAEL FUNKE (Hamburg University)
- 16:35 – 16:45 Coffee Break

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## AREA CONFERENCE ON MACRO, MONEY & INTERNATIONAL FINANCE

### Parallel Session 8a (Ludwig Erhard Room) Special Session 'Banking and the Macroeconomy'\*

- 16:45 – 17:25 **The Effects of International Financial Integration in a Model with Heterogeneous Firms and Credit Frictions**  
CHRISTIANE CLEMENS (Bielefeld University) and Maik Heinemann
- 17:25 – 18:05 **Basel Accord and Financial Intermediation: The Impact of Policy**  
Martin Berka and CHRISTIAN ZIMMERMANN (Federal Reserve Bank of St. Louis)
- 18:05 – 18:45 **The Interest Rate Pass-Through in the Euro Area During the Global Financial Crisis**  
NIKOLAY HRISTOV (Ifo Institute), Oliver Hülsewig and Timo Wollmershäuser

### Parallel Session 8b (Richard Musgrave Room) Miscellaneous

- 16:45 – 17:25 **How Free Trade Can Help Convert the 'Arab Spring' into Permanent Peace and Democracy**  
THORVALDUR GYLFASSON (University of Iceland), Immaculada Martínez-Zarzoso and Per Magnus Wijkman
- 17:25 – 18:05 **Developing Asian Bond Market for Financing Infrastructure**  
BISWA NATH BHATTACHARYAY (Asian Development Bank)
- 19:30 **Conference Dinner at the Restaurant "Seehaus in the English Garden"**

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