

# The Banking Sector and the State

## Programme

Co-organised by Ifo, CESifo and the Deutsche Bundesbank

14 – 15 September 2012  
CESifo Conference Centre  
Munich, Germany



### Scientific Committee

Thorsten Beck (Tilburg University)  
Frank Heid (Deutsche Bundesbank)  
Robert Marquez (University of California, Davis)  
Bruno Parigi (University of Padova)  
Jörg Rocholl (ESMT)

## Friday, 14<sup>th</sup> September 2012

08.30 – 09.00 Registration and coffee

09.00 – 09.15 **Welcome address by organisers**  
Jörg Rocholl (ESMT), Christa Hainz (Ifo Institute), Florian Buck (CES)

09.15 – 10.45 **Session 1: The economics of bailouts**  
Chair: Thorsten Beck (Tilburg University)

- Should we commit to bailing out?  
**Jungsuk Han** (Stockholm School of Economics), James Dow (London Business School)  
Discussant: Robert B.H. Hauswald (American University)
- Bailouts, contagion, and moral hazard  
Giovanni Dell'Ariccia, **Lev Ratnovski** (International Monetary Fund)  
Discussant: Monika Schnitzer (University of Munich)

10.45 – 11.00 Coffee break

11.00 – 12.00 Keynote by **Viral Acharya** (Stern School of Business, New York University)  
**Sovereign debt, government myopia and the financial sector**

12.00 – 13.00 Lunch

13.00 – 15.15 **Session 2: Competition vs. stability – microprudential perspectives**  
Chair: Bruno Parigi (University of Padova)

- Strategic complementarity, fragility and regulation  
**Xavier Vives** (IESE Business School)  
Discussant: Hendrik Hakenes (University Bonn)
- Credit market competition and liquidity crises  
Elena Carletti (European University Institute), **Agnese Leonello** (University of Pennsylvania)  
Discussant: Bruno Parigi (University of Padova)
- Bank competition and financial stability:  
A general equilibrium exposition  
**Gianni De Nicolò** (International Monetary Fund), Marcella Lucchetta (University of Venice)  
Discussant: Rafael Repullo (CEMFI)

15.15 – 15.45 Coffee break

15.45 – 16.45 Keynote by **Enrico Perotti** (University of Amsterdam)  
**Preventive macroprudential policy**

16.45 – 17.15 Coffee break

17.15 – 18.45 **Session 3: The role of institutions for banking**  
Chair: Jörg Rocholl (ESMT)

- A century of firm - bank relationships: did banking sector deregulation spur firms to add banks and borrow money?  
Fabio Braggion, **Steven Ongena** (Tilburg University)  
Discussant: Liam Brunt (NHH – Norwegian School of Economics and Business Administration)
- Abolishing public guarantees in the absence of market discipline  
**Isabel Schnabel** (University of Mainz), Tobias Körner (RGS)  
Discussant: Christian Leuz (The University of Chicago)

20.00 – 22.00

**Official conference dinner**

Spatenhaus an der Oper, Residenzstraße 12

*A transfer will be provided between the conference hotel as well as the CESifo conference centre and the dinner venue (19.30)*

**Saturday, 15<sup>th</sup> September 2012**

09.00 – 10.00

**Special Session: Politics and banking history**

Chair: Richard S. Grossman (Wesleyan University and Harvard University)

**Fragile by design: banking crises, scarce credit, and political bargains**

Charles Calomiris (Columbia University), **Stephen Haber** (Stanford University)

10.00 – 10.15

Coffee break

10.15 – 12.30

**Session 4: Bank liquidity and systemic stability – macroprudential perspectives**

Chair: Gerhard Illing (University of Munich)

- Vulnerable banks  
**Augustin Landier** (Toulouse School of Economics), David Thesmar (HEC Paris), Robin Greenwood (Harvard University)  
Discussant: Elena Carletti (European University Institute)
- A theory illiquidity and default with hidden trades  
**Ettore Panetti** (IIES, Stockholm University)  
Discussant: Falko Fecht (Frankfurt School of Finance & Management and Deutsche Bundesbank)
- Syndication, interconnectedness and systemic risk  
**Jian Cai** (Fordham University), Anthony Saunders (NYU Stern School of Business), Sascha Steffen (ESMT European School of Management and Technology)  
Discussant: Hans Degryse (KU Leuven and Tilburg University)

12.30 – 13.30

Lunch

13.30 – 15.00

**Session 5: Interlinkages between the banking sector and the state**

Chair: Alexander Schulz (Deutsche Bundesbank)

- Investment and borrowing constraints: evidence from Japanese firms  
Hiroyuki Kasahara (University of British Columbia), Yasuyuki Sawada and **Michio Suzuki** (University of Tokyo)  
Discussant: Alexander Popov (European Central Bank)
- Bank bailouts, competitive distortions and consumer welfare  
Cesar Calderon (World Bank), **Klaus Schaeck** (Bangor Business School)  
Discussant: Olena Havrylchyk (CEPII)

15.00 – 15.30

Coffee break

15.30 – 17.30

**Panel Discussion: The fate of Europe's banking system**

Speaker: **Stephen Cecchetti** (Bank for International Settlements),  
**Daniel Gros** (Centre for European Policy Studies),  
**Laurence Kotlikoff** (Boston University),  
**Hans-Werner Sinn** (Ifo Institute),

17.30 – 18.30

Reception and End of Conference

## **Organisation**

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