

## 4<sup>th</sup> Banque de France – Deutsche Bundesbank

### Macroeconomics and Finance Conference

Banque de France Conference center  
23-24 May 2013, Paris

The experiences of the last few years have challenged conventional thinking in monetary theory and policy. We became aware that our understanding of the role of money and liquidity, the functioning of financial institutions and markets, including the formation of asset prices under uncommon circumstances and their interaction with the real economy is much more limited than we believed before. The dramatic increase of public debt in many countries and its consequences for monetary policy and the macroeconomy is another hotly debated development of the recent past. Both observations were linked to stability problems in the financial sectors.

The Banque de France and the Deutsche Bundesbank organize their fourth joint conference on Macroeconomics and Finance with the aim to make progress in our understanding of the causes and consequences of the crisis and of monetary policy.

### PROGRAM

#### Thursday, 23 May

**9.00 – 9:15**            **Welcome address:** *Christian Noyer (Governor, Banque de France)*

**9.15 – 13.00**        **Session 1: Non-conventional monetary policy**

Chair: Heinz Herrmann (Deutsche Bundesbank)

- *Annette Vissing-Jorgensen (Northwestern University) and Arvind Krishnamurthy, “Short-term Debt and Financial Crises: What we can learn from U.S. Treasury Supply?”*

*Discussant: Martin Schneider (Stanford University)*

- *Simon Gilchrist (Boston University) and Egon Zakrajsek: “The Impact of the Federal Reserve’s Large-Scale Asset Purchase Programs on Default Risk”*

*Discussant: Ben Craig (Cleveland Fed and Deutsche Bundesbank)*

*Coffee break (30 min)*

- Francesco Bianchi (Duke University) and Leonardo Melosi : **“Dormant Shocks and Fiscal Virtue”**  
*Discussant: Klaus Adam (University of Mannheim)*

**13.00 – 14.00** *Buffet Lunch*

**14.00 – 16.00** **Session 2: Finance**

Chair: Christian Durand (Banque de France)

- Thomas Philippon (French Ministry of Finance):  
**“Has the US Finance Industry Become Less Efficient?”**  
*Discussant: Charles Evans (President, Federal Reserve Bank of Chicago)*
- Patrick Bolton, Tano Santos (Columbia University) and José Scheinkman :  
**“Cream Skimming”**  
*Discussant: Emmanuel Farhi (Harvard University)*

*Coffee break (30 min)*

**16.30 – 17.30** **Keynote address**

- Maurice Obstfeld (UC Berkeley): **“Finance at Center Stage: : Some Lessons of the Euro Crisis”**

**20:00** **Dinner (by invitation)**

**Friday, 24 May**

**8.30 – 12.00 Session 3: Fiscal policy in a monetary union**

Chair: Alain Duchateau (Banque de France)

- *Giancarlo Corsetti and Luca Dedola (ECB): “Fiscal Crises, Confidence and Default: A Bare-bones Model with Lessons for the Euro Area”*

*Discussant: Philippe Martin (Sciences-Po)*

- *Emmanuel Farhi and Ivan Werning (MIT): “Fiscal Unions”*

*Discussant: Christian Hellwig (TSE)*

*Coffee break (30 min)*

Chair: Marc-Olivier Strauss-Kahn (Banque de France)

- *Olivier Jeanne (Johns Hopkins University): “Fiscal Challenges to Monetary Dominance”*

*Discussant: Pedro Teles (Banco de Portugal)*

**12.00 – 13.00 Policy lecture**

Chair: Anne Le Lorier (Deputy Governor, Banque de France)

- *Jens Weidmann (President, Deutsche Bundesbank): “Who calls the shots? The problem of fiscal dominance”*

**13.00 – 14.00** *Buffet Lunch*

**14.00 – 17.30 Session 4: Measuring leverage and risk**

Chair: Michael Krause (Deutsche Bundesbank)

- *Andrew Atkeson, Andrea Eisfeldt and Pierre-Olivier Weill (UCLA): “The Financial Soundness of US Firms 1926-2011 : Financial Frictions and Business Cycles”*

*Discussant: Benoit Mojon (Banque de France)*

- *Atif Mian, Amir Sufi (Chicago Booth) and Francesco Trebbi: “**Household Balance Sheets, Consumption, and the Economic Slump**”*  
*Discussant: Kjetil Storesletten (University of Oslo)*

*Coffee break (30 min)*

- *Juliane Begenau, Martin Schneider and Monika Piazzesi (Stanford University): “**Banks’ Risk Exposure**”*  
*Discussant: Harald Uhlig (University of Chicago)*

Time allocation:

Speakers, 35 minutes; discussants, 15 minutes; general discussion, 10 minutes.

Organizers:

K. Adam (U. Mannheim), P.-O. Gourinchas (Sciences-Po), C. Hellwig (Toulouse SE), H. Herrmann (Deutsche Bundesbank), M. Krause (Deutsche Bundesbank) and B. Mojon (Banque de France)