

Conference Programme

The World Economy in Crisis – The Return of
Keynesianism?

30 – 31 October 2009

13th Conference
of the Research Network Macroeconomics and
Macroeconomic Policies (FMM)

Venue:

Best Western Hotel Steglitz International
Albrechtstr. 2
12165 Berlin
Germany

CONFERENCE OVERVIEW

FRIDAY, 30 OCTOBER 2009

10.30 – 11.45	Arrival and registration					
11.45 – 12.15	Welcome and introduction					
12.15 – 14.15	Plenary session I					
14.15 – 15.00	Coffee break					
15.00 – 17.00	Parallel Graduate Student Sessions S					
	S1 The global crisis I	S2 Emerging economies I	S3 Emerging economies II	S4 Money and monetary policy	S5 Employment and distribution	S6 Financial markets
	Room 1: Ballsaal	Room 2: Stegliz	Room 3: Lankwitz	Room 4: Zehlendorf	Room 5: Atrium	Room 6: Studio
17.00 – 17.30	Coffee break					
17.30 – 19.30	Parallel sessions A					
	A1 The global crisis II	A2 "Minskyan moment" and crisis I	A3 Global imbalances I	A4 Post Keynesian economics I	A5 New Keynesian macro-economics	A6 Household debt
	Room 1: Ballsaal	Room 2: Stegliz	Room 3: Lankwitz	Room 4: Zehlendorf	Room 5: Atrium	Room 6: Studio
19.30 – 20.30	Panel discussion					
20.30	Dinner					

SATURDAY, 31 OCTOBER 2009

09.00 – 11.00	Parallel sessions B					
	B1 The global crisis III	B2 "Minskyan moment" and crisis II	B3 Global imbalances II	B4 Post Keynesian economics II	B5 Europe and the global crisis I	B6 Macro dynamics
	Room 1: Ballsaal	Room 2: Stegliz	Room 3: Lankwitz	Room 4: Zehlendorf	Room 5: Atrium	Room 6: Studio
11.00 – 11.30	Coffee break					
11.30 – 13.30	Parallel sessions C					
	C1 Crisis and bubbles	C2 Crisis and economic policy	C3 Emerging economies III	C4 Europe and the global crisis II	C5 Income distribution I	C6 Economic growth and the NAIRU
	Room 1: Ballsaal	Room 2: Stegliz	Room 3: Lankwitz	Room 4: Zehlendorf	Room 5: Atrium	Room 6: Studio
13.30 – 15.00	Lunch					
15.00 – 17.00	Parallel sessions D					
	D1 Paradigm change	D2 Crisis, labour, welfare state	D3 Global imbalances III	D4 Post Keynesian economics III	D5 Income disitribution II	D6 Investment and growth
	Room 1: Ballsaal	Room 2: Stegliz	Room 3: Lankwitz	Room 4: Zehlendorf	Room 5: Atrium	Room 6: Studio
17.00 – 17.45	Coffee break					
17.45 – 19.45	Plenary Session II					
20.00	Dinner					

DETAILED PROGRAMME

FRIDAY, 30 OCTOBER 2009

10.30 – 11.45

Arrival and registration

11.45 – 12.15

Room 1

Welcome and introduction

Achim Truger, Gustav Horn, Macroeconomic Policy Institute (IMK), Düsseldorf

12.15 – 14.15

Room 1: Ballsaal

Plenary session I

The global crisis and the financial system

Chair: Eckhard Hein, Berlin School of Economics and Law

Is there a Minsky Moment for reform of the financial system?

Jan Kregel, Levy Economics Institute

Alternative approaches to explain the global crisis

Jan Priewe, HTW Berlin

Institutional investors, the equity market, and forced indebtedness

Jan Toporowski, University of London

14.15 – 15.00

Coffee break

Parallel graduate student sessions S (S1 – S6)

15.00 – 17.00

Room 1: Ballisaal	<p>S1 The global crisis I <i>Chair: Jochen Hartwig</i></p> <p>To what extent does the current global financial crisis resemble Minsky's financial instability hypothesis? <i>Thomas Rieger, Vienna University of Economics and Business</i></p> <p>Determinants of the current economic crisis. The global imbalances hypothesis revised <i>Germán D. Feldman, University of Buenos Aires</i></p> <p>Understanding the run on the 'shadow banking system' <i>Felipe Carvalho de Rezende, University of Missouri, Kansas City</i></p> <p>On the origins of the financial crisis <i>Mitja Stefancic, University of Ljubljana</i></p>
Room 2: Steglitz	<p>S2 Emerging economies I <i>Chair: Antonio Macedo e Silva</i></p> <p>Finance and economic growth in a balance-of-payments constrained growth model <i>Caroline Baltar, University of Cambridge</i></p> <p>Evaluating banks' profitability and financial development in Brazilian regions <i>Anderson Cavalcante, Downing College Cambridge</i></p> <p>Exchange rate policies: a theoretical discussion and some appointments of the Brazilian case <i>Leonardo Nunes, Université Paris I</i></p>
Room 3: Lankwitz	<p>S3 Emerging economies II <i>Chair: Fernando Cardim de Carvalho</i></p> <p>How to prevent and solve a classic sovereign debt crisis: CAC vs. SRDM <i>Claire Barraud, University of Grenoble</i></p> <p>Why does the Mexican government have its hands tied? The procyclical component of fiscal policy in Mexico <i>Carlos Alberto Carrasco Sánchez, University of the Basque Country; C. Gallanti</i></p> <p>Low agricultural productivity in a monetary economy. Causes and macroeconomic consequences on economic development in low-income countries from a monetary Keynesian perspective <i>Martin Sauber, University of Hamburg</i></p>
Room 4: Zehlendorf	<p>S4 Money and monetary policy <i>Chair: Sergio Rossi</i></p> <p>The impact of Central Bank objectives in a context of crisis, how can we manage liquidity? A post Keynesian interpretation <i>Thibault Cuénoud, Université de Poitiers and ESCEM</i></p> <p>Disequilibrium foundations of disequilibrium economics: Money, uncertainty and viability <i>Rémi Stellan, Universités de Fribourg & Grenoble</i></p> <p>Stock market reaction to unexpected monetary policy announcements <i>Fabien Labondance, Facultés Universitaires Catholiques de Mons; J. Filbien</i></p>
Room 5: Atrium	<p>S5 Employment and distribution <i>Chair: Stefan Ederer</i></p> <p>Unemployment, investment and labour market institutions - some stylized facts <i>Antonio Rodriguez Gil, Leeds University Business School</i></p> <p>Inflation, employment and liquidity preference in a stock-flow consistent model <i>Yannis Dafermos, University of Athens</i></p> <p>Subcontracting and monopsonistic power in an three sector stock-flow consistent model <i>Jordan Melmiès, University of Lille; T. Dallery</i></p> <p>Financialization and the rentier income share – evidence from the USA and Germany <i>Petra Dühaupt, Macroeconomic Policy Institute (IMK), Düsseldorf</i></p>
Room 6: Studio	<p>S6 Financial markets <i>Chair: Engelbert Stockhammer</i></p> <p>An examination of the causal factors contributing to financial contagion <i>Marco Scheufel, Berlin School of Economics; C. Campbell; L. Ullrich</i></p> <p>The real and financial implications of the global saving glut: A three-country model <i>Jean-Baptiste Gossé, Université Paris 7 Denis Diderot - UFR GHSS</i></p> <p>Banking system and financial fragility in a post Keynesian model <i>Maria Nikolaidi, University of Athens</i></p>

17.00 – 17.30

Coffee break

		Parallel sessions A	(A1 – A6)
17.30 – 19.30	Room 1: Ballisaal	<p>A1 The global crisis II <i>Chair: Basil Moore</i></p> <p>The nature and origins of the current economic and financial crisis <i>Giuseppe Fontana, Leeds University Business School</i></p> <p>What is the current crisis a crisis of? <i>Simon Mohun, Queen Mary University of London</i></p> <p>A very peculiar crisis of capitalism <i>Jonathan Perraton, University of Sheffield</i></p>	
	Room 2: Steglitz	<p>A2 "Minskyan moment" and crisis I <i>Chair: Claus Thomasberger</i></p> <p>Minsky, Keynes and financial instability: the recent sub-prime crisis <i>Elisabetta de Antoni, University of Trento</i></p> <p>Market Sentiment and Minskian financial crisis: A Keynesian/agency-structure/psychology analysis <i>Sheila Dow, The University of Stirling</i></p> <p>A Keynes-Minsky perspective on the crisis in new EU countries <i>Hubert Gabrisch, Halle Institute for Economic Research (IWH)</i></p>	
	Room 3: Lankwitz	<p>A3 Global imbalances I <i>Chair: Özlem Onaran</i></p> <p>The new mercantilism and the crisis of the global capitalism. elements of discussion <i>Blandine Laperche, University of Littoral; D. Uzunidis</i></p> <p>Global imbalances and international monetary disorder: At the roots of the current economic and financial crisis <i>Sergio Rossi, University of Fribourg</i></p> <p>Shrinking policy space, global imbalances and world recession: A revisiting of our troubled times with an eye to Keynes <i>Mario A. Cedrini, University of Eastern Piedmont; A.M Carabelli</i></p>	
	Room 4: Zehlendorf	<p>A4 Post Keynesian economics I <i>Chair: Philip Arestis</i></p> <p>Revisiting the "New Cambridge School": A modern stock-flow consistent perspective <i>Antonio Carlos Macedo e Silva, Instituto de Economia – UNICAMP; P. Dos Santos</i></p> <p>What is post-Keynesian economics? <i>Jens Reich, Goethe-Universität Frankfurt</i></p> <p>Post-Keynesian modelling: Where are we, and where are we going to? <i>Angel Asensio, Université Paris 13; S. Charles; D. Lang</i></p> <p>A guide to paradigmatic self-marginalization: Lessons for post-Keynesian economists <i>Jakob Kapeller, Universität Linz; L. Dobusch</i></p>	
	Room 5: Atrium	<p>A5 New Keynesian macroeconomics <i>Chair: Alfonso Palacio-Vera</i></p> <p>The Taylor principle and (in-) determinacy in an new Keynesian model with hiring frictions and skill loss <i>Ansgar Rannenberg, University of St Andrews, Fife</i></p> <p>The two triangles: What did Wicksell and Keynes know about macroeconomics that modern economist do not (consider)? <i>Ronny Mazzocchi, University of Siena; R. Tamborini; H.-M. Trautwein</i></p> <p>Prospect theory and inflation perceptions - An empirical assessment <i>Jan-Oliver Menz, University of Hamburg, U. Fritsche; L. Vogel</i></p>	
	Room 6: Studio	<p>A6 Household debt <i>Chair: Jesus Ferreiro</i></p> <p>At the heart of the matter: Household debt in contemporary banking in the international crisis <i>Paulo L. dos Santos, University of London</i></p> <p>Household indebtedness, economic growth and the monetary circuit <i>Eladio Febrero, University of Castilla-La Mancha; O. Dejuan</i></p> <p>Asymmetric income and wealth effects in a non-linear error correction model of US consumer spending <i>Till van Treeck, Macroeconomic Policy Institute (IMK), Düsseldorf; G. Zezza</i></p>	

Panel discussion

19.30 – 20.30

Room 1: Ballsaal

The return of Keynesianism?

Chair: Sebastian Dullien, HTW Berlin

Heiner Flassbeck, UNCTAD

Robert Pollin, University of Massachusetts-Amherst

20.30

Dinner

Parallel sessions B

(B1 - B6)

9.00 – 11.00

Room 1: Ballisaal

B1 The global crisis III

Chair: Trevor Evans

Assessment of the risks of depression and deflation after the 2008 "Big Crunch": a "New Economics" modelling perspective
Terry Barker, University of Cambridge; H. Pollitt; U. Chewpreecha; S. Scriciu; R. Hankin

The financial crisis - the past and the present: A comparative study
Lucy Badalian, Russian Academy of Sciences; V. Krivorotov

The financial fragility of capitalist economies and the "profit trap": considerations on the current crisis and monetary policy
Antonio Paradiso, University of Rome, La Sapienza; P. Casadio; C. Sardonì

Some practical proposals for financial market reforms
Helge Peukert, University of Erfurt

Room 2: Steglitz

B2 "Minskyan moment" and crisis II

Chair: Hansjörg Herr

How useful is Minsky to explain the current crisis?
Marco Passarella, University of Bergamo; R. Bellofiore; J. Halevi

Transformation of the financial system under money manager capitalism
Yeva Nersisyan, University of Missouri-Kansas City; L. R. Wray

Is this "it"? Are we living the great depression of the 2010s?
Fernando Cardim de Carvalho, University of Rio de Janeiro

Room 3: Lankwitz

B3 Global imbalances II

Chair: Tom Palley

A new Bretton Woods?
Claus Thomasberger, University of Applied Sciences, HTW Berlin

Global imbalances, the U.S. dollar, and how the crisis at the core of global finance spread to emerging economies
Jörg Bibow, Skidmore College and Levy Economics Institute, New York

Addressing global imbalances after the economic crisis
Gennaro Zezza, The Levy Economics Institute of Bard College Annandale-on-Hudson, NY; D.B. Papadimitriou

Room 4: Zehlendorf

B4 Post Keynesian economics II

Chair: Giuseppe Fontana

An Institutional-Post Keynesian alternative to the New Consensus macroeconomics
Georgios Argitis, University of Athens

The "New Consensus" and the post Keynesian approach to the analysis of liquidity traps
Alfonso Palacio-Vera, Universidad Complutense de Madrid

Bye-bye 'Inflation Targeting'
Basil Moore, Stellenbosch University

Competitive consumption and the "fair wage", a post Keynesian institutionalist approach
Guglielmo Forges Davanzati, University of Salento; G. T. Esposito

Room 5: Atrium

B5 Europe and the global crisis I

Chair: Jesper Jespersen

A Keynes moment in Euroland
Andrea Terzi, Franklin College Switzerland

Financial markets boom, financialisation and changes in the financial structure of European manufacturing companies
Catherine Sifakis, Université de Grenoble

From subprime to credit crunch: European housing markets under distress
Elisabeth Springler, Wirtschaftsuniversität Wien

Room 6: Studio

B6 Macro dynamics

Chair: Peter Skott

Output, stock markets and interest (and tax) rates in a simple portfolio macromodel
Christian Proaño Acosta, IMK, Düsseldorf; M. Charpe, P. Flaschel

Real-financial market interactions and macroeconomic stabilization policies
Peter Flaschel, Universität Bielefeld; T. Mouakil; C. Proaño Acosta; W. Semmler

Kaldorian boom-bust cycles in the housing market
Florian Hartmann, Universität Osnabrück; I. Barenz; P. Flaschel; A. Roethig

11.00 – 11.30

Coffee break

Parallel sessions C		(C1 - C6)
11.30 – 13.30	Room 1: Ballssaal	<p>C1 Crisis and bubbles <i>Chair: Korkut Erturk</i></p> <p>Asset-price bubbles and economic development – what can we learn from Japan? <i>Hansjörg Herr, Berlin School of Economics and Law</i></p> <p>Strengthening the resilience of an economy <i>Karl Aiginger, Austrian Institute of Economic Research</i></p> <p>The Economics of Deleveraging: The Aftermath of Financialization <i>Thomas I. Palley, Economics for Democratic & Open Societies</i></p>
	Room 2: Steglitz	<p>C2 Crisis and economic policy <i>Chair: Andrew Watt</i></p> <p>Global financial crisis: The French policy answer in a EU perspective <i>Catherine Mathieu, OFCE; H. Sterdyniak</i></p> <p>Financial crisis, global recession, economic policy reactions and long-run requirements for a Keynesian New Deal – the case of Germany <i>Achim Truger, Macroeconomic Policy Institute (IMK), Düsseldorf; E. Hein</i></p> <p><i>Green New Deals and Military Keynesianism: Military Allocations and Macro-Economic Policymaking</i> <i>Peter Custers, Leiden University</i></p>
	Room 3: Lankwitz	<p>C3 Emerging economies III <i>Chair: Jan Priewe</i></p> <p>Liquidity and exchange rate dynamics: The increased internationalisation of the Brazilian Real <i>Annina Kaltenbrunner, University of London</i></p> <p>The financial fragility hypothesis related to the public sector: An analysis to Brazilian economy from 2000 to 2007 <i>Fernando Ferrari Filho, Federal University of Rio Grande do Sul; F. H. Bittes Terra; O. A. C. Conceição</i></p> <p>Brazil and India face the global economic crisis: Immediate impacts and responses from economic policy <i>André Nassif, Brazilian Development Bank (BNDES)</i></p>
	Room 4: Zehlendorf	<p>C4 Europe and the global crisis II <i>Chair: Elisabeth Springler</i></p> <p>The subordination of European finance <i>John Grahl, Middlesex University Business School</i></p> <p>Lessons for the European financial architecture of the Icelandic financial crisis, CESEE and Euro area countries financial problems <i>Franz Nauschnigg, Oesterreichische Nationalbank</i></p> <p>Corporate governance and the financial crisis: The role of stock options in encouraging excessive risk taking in European banking <i>Sigurt Vitols, Social Science Research Center Berlin</i></p>
	Room 5: Atrium	<p>C5 Income distribution I <i>Chair: Malcolm Sawyer</i></p> <p>Relative prices and income distribution in Italy 1970-2006 <i>Antonella Stirati, Università Roma Tre; S. Levvero</i></p> <p>Top-income developments for Austria, 1994 – 2007 <i>Wilfried Altzinger, University of Economics and BA, Vienna</i></p> <p>Financialization, income distribution, and aggregate demand in the USA <i>Özlem Onaran, Vienna University of Economics and Business; L. Graf; E. Stockhammer</i></p>
	Room 6: Studio	<p>C6 Economic growth and the NAIRU <i>Chair: Gennaro Zezza</i></p> <p>A panel Granger-causality test of endogenous vs. exogenous growth <i>Jochen Hartwig, Swiss Economic Institute at ETH Zurich</i></p> <p>Does the composition of government expenditure impact economic growth? Evidence from Switzerland using a robust cointegration approach <i>Carsten Colombier, Federal Finance Administration, Bern</i></p> <p>Return of Keynesianism? <i>Camille Logeay, Macroeconomic Policy Institute (IMK), Düsseldorf; J. Kromphardt</i></p>
13.30 – 15.00		Lunch

15.00 – 17.00

Room 1: Ballisaaal	D1	<p>Paradigm change Chair: Dany Lang</p> <p>Why does Gresham's Law rule in Macroeconomics? <i>Jesper Jespersen, Roskilde University</i></p> <p>Crises and paradigms in macroeconomics <i>Malcolm Sawyer, Leeds University Business School</i></p> <p>As if nothing were going to happen: A search in vain for warnings about the current crisis in economic journals with the highest impact factors <i>Andrea Imperia, Sapienza Università di Roma; V. Maffeo</i></p>
Room 2: Steglitz	D2	<p>Crisis, labour, welfare state Chair: Camille Logeay</p> <p>Institutional features of labour markets and social security systems: How do they affect the labour market adjustment to economic downturns in different EU countries? <i>Andrew Watt, European Trade Union Institute, Brussels; J. Leschke</i></p> <p>The current economic and financial crisis: A gender perspective <i>Rania Antonopoulos, The Levy Economics Institute of Bard College</i></p> <p>Employment, inflation and income distribution: Pricing-to-market in a modified NAIRU model <i>Stefan Ederer, Österreichisches Institut für Wirtschaftsforschung</i></p>
Room 3: Lankwitz	D3	<p>Global imbalances III Chair: Jörg Bibow</p> <p>What is driving global deflation and how best to fight it <i>Korkut Erturk, University of Utah</i></p> <p>Global imbalance: Is this a generalized phenomenon? <i>Jesus Ferreira, Universidad del Pais Vasco; F. Serrano</i></p> <p>How the current account dwarfs the capital account: China's incongruous role in the world economy <i>Dirk H. Ehnts, University of Oldenburg; F. M. Körner</i></p>
Room 4: Zehlendorf	D4	<p>Post Keynesian economics III Chair: Peter Flaschel</p> <p>A Post-Keynesian policy model <i>Rudi von Arnim, University of Utah</i></p> <p>Endogeneity of labor productivity and the real wage rate in a Kaleckian model – Why it makes a difference <i>Bernhard Schütz, Johannes Kepler University Linz</i></p> <p>Instability and cycles: Harrod/Kaldor and Robinson/Steindl models of accumulation and income distribution <i>Peter Skott, University of Massachusetts, Amherst; B. Zipperer</i></p>
Room 5: Atrium	D5	<p>Income distribution II Chair: Hagen Krämer</p> <p>Income distribution and the causes of the present crisis <i>Engelbert Stockhammer, Wirtschaftsuniversität Wien</i></p> <p>Global inequality and the global financial crisis: The new transmission mechanism <i>Photis Lysandrou, London Metropolitan University</i></p> <p>Income distribution, financial liberalization and excess liquidity in a two countries model <i>Mathieu Charpe, International Labor Organization, Geneva; P. Flaschel</i></p>
Room 6: Studio	D6	<p>Investment and growth Chair: Torsten Niechoj</p> <p>Animal spirits, asymmetric information and accumulation <i>Maurizio Caserta, Università di Catania; F. Reito</i></p> <p>Interest rates, distribution and capital accumulation - A perspective on the US and Germany <i>Eckhard Hein, Berlin School of Economics and Law; C. Schoder</i></p> <p>A Keynesian-Kaleckian model of investment determination: A panel data investigation <i>Constantinos Alexiou, Aristotle University, Thessaloniki</i></p>

17.00 – 17.45

Coffee break

17.45 – 19.45

Room 1: Ballsaal

Plenary session II

Prospects for a Keynesian New Deal

Chair: Till van Treeck

Economic policies after the New Consensus Macroeconomics

Philip Arestis, University of Cambridge

The Great Recession and perspectives on Keynesian policy

Steven Fazzari, Washington University in St. Louis

Building the Green New Deal

Robert Pollin, University of Massachusetts-Amherst

20.00

Dinner

Organisation

Research Network Macroeconomics and
Macroeconomic Policies (FMM)
www.network-macroeconomics.org

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Venue

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