



Sustainable Architecture for Finance in Europe

**SAFE
SUMMER
ACADEMY
2013**

**International
financial stability:**
Thought leadership and
best practice in addressing
European banking
regulation

**30 AUGUST 2013
BERLIN**

IMPRINT

Center of Excellence SAFE
Goethe University Frankfurt
House of Finance
Grüneburgplatz 1
60323 Frankfurt
Germany
www.safe-frankfurt.de

ORGANIZATION

Center of Excellence SAFE
Center for Financial Studies and
Goethe University Frankfurt

ACADEMIC DIRECTOR

Prof. Dr. Günter W. Beck
(Chair for European Macroeconomic Studies, University of Siegen)

PROGRAM ADVISORY COMMITTEE

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(Professor of Monetary and Financial Economics, University of Paris I (Panthéon – Sorbonne))

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Sabine Kimmel
(Head of Policy Event Management, SAFE)

DESIGN

www.staehlingdesign.de

EXECUTIVE SUMMARY

The goal of the SAFE Summer Academy, organized by the SAFE Center of Excellence, is to provide a research-based training for European policymakers dealing with financial markets regulation. The major focus of this year's program is on giving its participants an academically disciplined, fact- and evidence-based assessment of the impact of the recently implemented reforms on (international) financial markets and their stability, including a treatment of the topics which have not been properly addressed yet. Moreover, it will comprehensively and interdisciplinarily discuss all issues related to the planned European banking union. It intends to equip its attendees to better fulfil their responsibilities within their respective institutions for properly designing the frameworks for European banking regulation and supervision.

The faculty and panel participants comprise leading scholars in the field together with expert practitioners from the Bank for International Settlements, the International Monetary Fund and the Eurosystem of Central Banks. The syllabus combines academic research and thinking together with presentation and discussion of best practice amongst policy makers and financial supervisory agencies.

The Summer Academy is primarily aimed at members of European parliaments (and their collaborators) and division heads (as well as senior officials) from European ministries of general governmental affairs, finance and economic affairs. To allow for extensive interaction and engagement with faculty, the number of participants in the Summer Academy will be strictly limited.

TOPICS AND OBJECTIVES

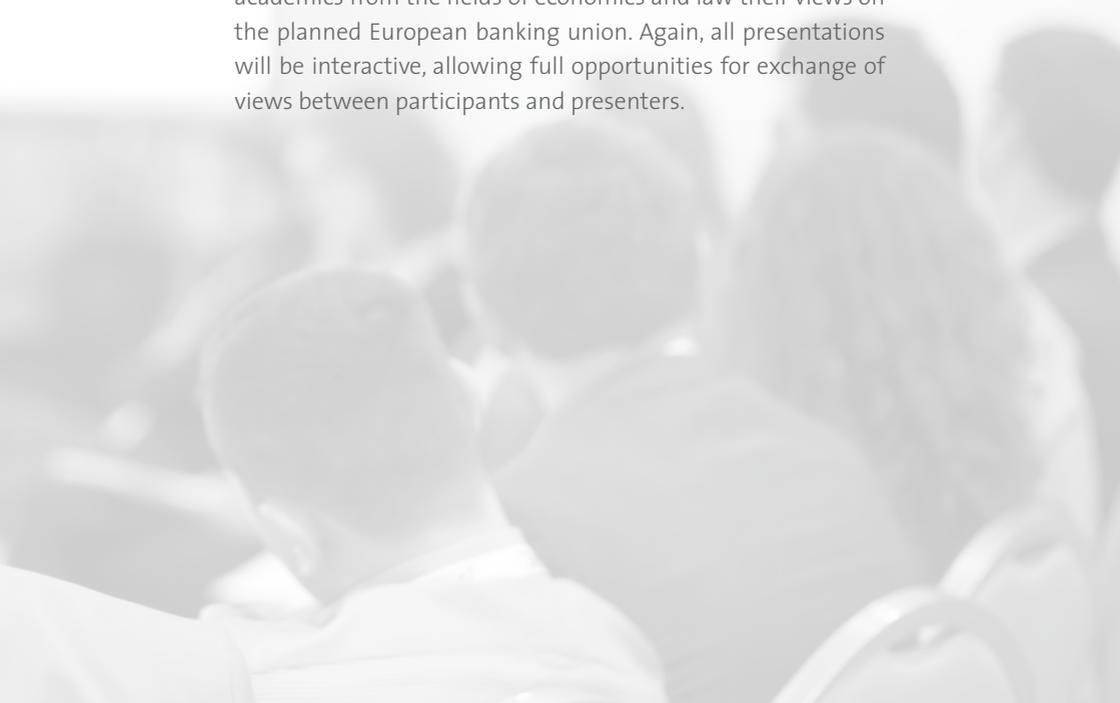
The Summer Academy focuses on the impact of the recently implemented financial markets reforms on (international) financial markets and their stability. It provides an academically disciplined, fact- and evidence-based view on these topics and also discusses issues which still need to be addressed by policy makers, including a broader assessment of measures which aim at improving the ability of financial markets and institutions to more efficiently channel funds to the real economy and a discussion of the appropriate size of the financial sector. Moreover, it aims at providing research-based answers to the most urgent questions accompanying the installation of the European banking union. It offers an in-depth review of recent academic advances. Finally, it offers a platform for debate, encouraging participants to discuss different perspectives on current financial-market developments and the European banking union, with explicit opportunities for alternative viewpoints and for critical assessment and discussion.

The design of the Summer Academy will foster an active interexchange between its participants and its faculty. The faculty consists of leading scholars in the field of financial economics and expert practitioners from the Bank for International Settlements and the International Monetary Fund. The program is additionally enriched by contributions from leading policy makers from the Eurosystem and the European Commission.

The program has been structured to engage participants as fully as possible with the frontiers of both theory and practice as well as empirical evidence. The event starts with a keynote address by Peter Praet, Member of the Executive Board of the European Central Bank, which is followed by a discussion with the participants. The first topical session is dedicated

to an analysis of the current developments in international financial markets with an emphasis on the impact of the recent regulatory measures on the improvement of global financial stability. This session is led by an expert from the Bank for International Settlements (BIS). The following late-morning and afternoon sessions are headed by internationally renowned academics. These sessions will offer clear and structured analytical frameworks for thinking about financial stability and other banking-union related issues and acquaint participants with the latest relevant theoretical and empirical research. All presentations in the sessions will be interactive, allowing full opportunities for exchange of views between participants and presenters.

The panel discussion will provide a complementary and more policy-oriented view on the topics covered in the preceding more academically oriented sessions. To this end, an expert from the European Commission will discuss with two leading academics from the fields of economics and law their views on the planned European banking union. Again, all presentations will be interactive, allowing full opportunities for exchange of views between participants and presenters.



PROGRAM

The program covers two broad topic areas. The first is an overview of current developments in global banking and capital markets. Core themes of this first part of the Summer Academy will be the impact of the recently implemented financial market measures on the activities of (international) financial intermediaries, (international) capital markets and financial stability. In this context, an analytically disciplined/structured assessment will be undertaken and issues which policy makers still need to address will be discussed. Moreover, additional measures to improve the efficiency of the channelling of funds to the real economy via financial markets will be analysed and an evaluation of the appropriate size of the financial sector will be undertaken. Both recent academic insights and empirical evidence will be discussed. Particular attention will also be given to the challenges the internationalization of the banking sector poses for (inter-)national regulators and supervisory agencies and what measures might be taken to deal with these challenges.

The second topic area of the Summer Academy is the proper design of the European banking union. Questions to be addressed in this area include the following: How is the banking union best structured and implemented? Which institutions should deal with banking resolution? How centralised should the deposit insurance system be? What are the fiscal implications of a banking union? How should the European banking supervision be coordinated with monetary and fiscal policy and with other recent efforts to reform financial regulation? What governance framework and political institutions would be needed? Finally, what can we learn from international experience in developing a banking union?

The program is completed with a panel discussion providing complementary views of representatives of academia and national and international policy institutions on the topics covered in the Summer Academy and other current efforts to reform financial regulation and more effectively contain systemic financial risks.

THURSDAY, 29 AUGUST 2013

Location: Grand Hyatt Berlin,
Marlene-Dietrich-Platz 2

7.00 pm Registration, Welcome reception

FRIDAY, 30 AUGUST 2013

Location: Representation of the State of Hessen,
In den Ministergärten 5, 10117 Berlin

- 8.50 am Coffee

8.50 – 9.00 am Welcome

9.00 – 9.30 am Keynote Session:
Peter Praet (*Member of the Executive Board,
European Central Bank*)

Keynote address and discussion

9.30 – 10.45 am International Banking and Financial Markets (1):
Financial market reforms and recent
developments in international financial
markets and stability
Patrick McGuire (*Bank for International
Settlements*), tbc.

10.45 – 11.15 am Coffee break

11.15 – 12.30 pm International Banking and Financial Markets (2):
Open issues in financial market stability and
efficiency
Dirk Schoenmaker (*Duisenberg School of
Finance*)

- 12.30 – 1.30 pm Lunch
- 1.30 – 2.45 pm Towards a European Banking Union (1): How is the banking union best structured and implemented? Which institutions should deal with banking resolution? How centralised should the deposit insurance system be?
Giovanni Dell’Ariccia (*International Monetary Fund*)
- 2.45 – 3.15 pm Coffee break
- 3.15 – 4.30 pm Towards a European Banking Union (2): How to deal with the “outs”? What are the fiscal implications of a banking union? How should the European banking supervision be coordinated with monetary and fiscal policy and with other recent efforts to reform financial regulation?
Giovanni Dell’Ariccia (*International Monetary Fund*)
Tobias Tröger (*Goethe University Frankfurt, SAFE*)
- 4.30 – 5.00 pm Coffee break
- 5.00 – 6.00 pm Panel discussion: What kind of European Banking Union?
Moderator: **Günter Beck**
Participants: **John Berrigan** (*European Commission*), **Ashoka Mody** (*Princeton University*), **Helmut Siekmann** (*Institute for Monetary and Financial Stability*)
- 6.30 pm Dinner
Location: Grand Hyatt Berlin,
Marlene-Dietrich-Platz 2

SPEAKERS



GIOVANNI DELL'ARICCIA

Head the Macro-Financial Linkages Unit in the Research Department of the International Monetary Fund

Giovanni Dell'Ariccia's current research is focused on banking, the macroeconomics of credit, and international finance. He has published extensively in these fields in leading academic journals. He is a CEPR Research Fellow. Giovanni holds a Ph.D. in economics from the Massachusetts Institute of Technology.



PATRICK MCGUIRE

Senior Economist, Monetary and Economics Department at the Bank for International Settlements

Patrick McGuire is a senior economist in the Financial Institutions section. His current research is focused on international financial markets and financial stability issues, with a specific interest in international banking, emerging market financing and hedge funds. Patrick holds a Ph.D. in economics from the University of Michigan.



PETER PRAET

Member of the Executive Board, European Central Bank

Peter Praet joined the European Central Bank as Member of the Executive Board in 2011. He is responsible for Economics, Human Resources, Budget and Organisation and Statistics. Before joining the ECB, Peter Praet was Executive Director of the National Bank of Belgium (2000-2011). He has also served as Chief of Cabinet for the Belgian Minister of Finance (1999-2000), as Chief Economist of Générale de Banque and Fortis Bank (1988-1999), as Professor of Economics at the Université Libre de Bruxelles (1980-1987), and as Economist at the International Monetary Fund (1978-1980). He earned a Ph.D. in Economics from the Université Libre de Bruxelles in 1980.



DIRK SCHOENMAKER

Dean of the Duisenberg school of Finance

Dirk Schoenmaker has published in the areas of central banking, financial supervision and stability, and European financial integration. He is co-author of the textbook "Financial Markets and Institutions: A European Perspective" (Cambridge University Press), and author of "Governance of International Banking: The Financial Trilemma" (Oxford University Press). He is a member of the Advi-

sory Scientific Committee of the European Systemic Risk Board. Before his appointment at the Duisenberg school in 2009, he served at the Ministry of Finance and the Ministry of Economic Affairs in the Netherlands, at the Bank of England and as a Visiting Scholar at the IMF. He studied business economics and law at Erasmus University Rotterdam and earned his Ph.D. in economics at the London School of Economics.



TOBIAS H. TRÖGER

Professor of Private Law, Trade and Business Law, Jurisprudence at Goethe-University Frankfurt

Tobias Tröger's research focusses on corporate law, in particular (comparative) corporate governance and corporate finance, banking law, contract law and theory, and economic analysis of law. He has published extensively in these fields in leading German, European and U.S. journals. He is a member of the Association of Private Law-Teachers, the Academic Association for Corporate Law, the Academic Association for Banking Law, the German-American Lawyers Association (GALA) and the Harvard Law School Association of Germany (HLSAG). He holds a Master of Laws from Harvard Law School, a Ph.D. and a post-doctoral degree ("Habilitation") from the University of Tübingen.

PANELISTS



JOHN BERRIGAN

Director for Financial Stability, Economic and Financial Affairs, in DG ECFIN of the European Commission

John Berrigan took up his present assignment in April 2010. The Directorate focuses on analytical aspects of financial-sector developments, financial stability and financial integration within the EU, the Euro area and the Member States and contributes to the Commission's work on economic surveillance and the development of the Internal Market for financial services. Since joining the Commission in 1986, John Berrigan has worked mainly in the fields of monetary and financial economics and on issues relating to financial-market implications of the Euro.



ASHOKA MODY

Charles and Marie Robertson Visiting Professor in International Economic Policy at Princeton University

Previously, Ashoka Mody was Deputy Director in the International Monetary Fund's Research and European Departments. He was responsible for the IMF's Article IV consultations with Germany, Ireland, Switzerland, and Hungary, and also for the design of Ireland's financial rescue program. Earlier, at the World Bank, his management positions included those in Project Finance and Guarantees and in the Prospects Group, where he coordinated and was principal author of the Global Development Finance Report of 2001. He has advised governments worldwide on developmental and financial projects and policies, while writing extensively for policy and scholarly audiences. Ashoka Mody holds a Ph.D. in economics from Boston University.



HELMUT SIEKMANN

Endowed Chair of Money, Currency, and Central Bank Law at the Goethe University Frankfurt

Professor Siekmann is Director of the Institute for Monetary and Financial Stability (IMFS). His research is focused on all aspects of government finances, the institutional framework of the European System of Central Banks, the European provisions to secure stable government finances, the stabilization mechanisms in time of crisis, and the supervision and control of financial markets. Professor Siekmann received his doctor juris and his post doctoral degree ("Habilitation") from the University of Cologne, and a degree in economics from the University of Bonn. Since 2010 he is docteur honoris causa of the University Paris-Dauphine .

ACADEMIC DIRECTOR



GÜNTER W. BECK

Professor for European Macroeconomics at the University of Siegen

Günther W. Beck is Professor for European Macroeconomics at the University of Siegen and Research Fellow at the Center for Financial Studies. His research focuses on macroeconomics, monetary economics, and international economics. Before his appointment in Siegen, Günther W. Beck was Professor at the University of Mainz. After gaining a Ph.D. from Goethe University Frankfurt in 2004, he worked as an Assistant Professor in Frankfurt.

ORGANIZATION

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Frankfurt and the Center for
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CONTACT FOR REGISTRATION

Sabine Kimmel
Head of Policy Event Management
Center of Excellence SAFE
Goethe University Frankfurt
House of Finance
Grüneburgplatz 1
60323 Frankfurt
Germany
kimmel@safe.uni-frankfurt.de
Tel. +49 (0)69 798 - 30066
www.safe-frankfurt.de



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