



EUROPEAN COMMISSION
DIRECTORATE GENERAL
ECONOMIC AND FINANCIAL AFFAIRS
Research



DG ECFIN's 6th Annual Research Conference (ARC 2009)

Crisis and reform

Brussels, 15-16 October 2009

Conference announcement

The Research Directorate in DG ECFIN is preparing this year's *Annual Research Conference* to be held in Brussels on 15-16 October, 2009.

Conference topic

The global financial crisis that started with the subprime crisis in the U.S. in 2007 can be expected to impact not only on the financial sector and the real economy, but also on our willingness to implement reforms, for instance to improve the design of the financial system, and on the paradigms that are behind our economic thinking. These interrelated issues will be in the centre of *DG ECFIN's 6th Annual Research Conference* on "**Crisis and Reform**".

Three interrelated key issues will be covered by the conference:

- *The political economy of reform*
For most economists in Europe, a need for structural reform, i.e. changes in the institutional and regulatory frameworks, has been obvious for some time. This consensus is reflected in the Lisbon Agenda. More recently there have been advances in the theoretical and empirical analysis of the political economy of reforms, for instance as regards the compatibility of electoral uncertainty and structural reforms. The ongoing discussion about reforms suggests to review this strand of research and to ask how crises affect decisions and the implementation of reforms, for instance policy decisions on a new design for the financial system.
- *The design of financial systems*
Recent problems in financial markets have triggered a debate about ways to strengthen the financial system. There are proposals for changes in the institutional and/or regulatory framework of the financial system. The task for economic research is assessing the pros and cons of the different proposals against the background of new insights from the crisis. Special attention will be given to the role of the euro and monetary union.
- *Revisiting the economic paradigm*
Crises challenge our economic thinking as developments were often not foreseen and even ex post difficult to explain. The dominant framework, the neoclassical paradigm, assumes that all individuals, firms and institutions are fully rational. Aggregation of rational behaviour is then used to derive conclusions about market behaviour. But discrepancies between theoretical propositions and empirical observations raise doubts about full rationality and crises tend to make these doubts even stronger. This motivates revisiting the economic paradigm and looking at new strands of economic research.

Following the ARC 2009 Opening Lecture, the three topics will be in the centre of three half-day sessions. Each of them will be introduced by an invited speaker. The conference will end with a policy-oriented panel discussion.

Conference schedule (tentative)

Day 1 (Oct. 15):	9:15-10:00 morning	ARC 2009 Opening Lecture
	afternoon	Session A: The political economy of reform
Day 2 (Oct. 16):	morning	Session B: The design of financial systems
	14:00-16:00	Session C: Revisiting the economic paradigm
		Panel: Crisis and reform – where do we stand?

Submission of papers

DG ECFIN's Research Directorate is preparing a call for papers related to the topics outlined above. Interested researchers will be invited to submit their papers electronically. A selection committee will be set up to evaluate submissions.

Registration

The conference is open for public attendance. Registrations will be possible via the DG ECFIN website well in advance of the ARC 2009. Please note that due to space limitations, it may not be possible to accept all applications to attend the conference. There will be no registration fee, but participants will have to pay on their own travel and accommodation.

Receiving updates and ARC 2009 website:

If you wish to receive updates of this information on ARC 2009 by email, send one mail to ECFIN-ARC2009@ec.europa.eu just with the word *information* in the subject line.

ARC 2009 website: http://ec.europa.eu/economy_finance/events/event13393_en.htm

Previous DG ECFIN Annual Research Conferences (ARC)

Boosting growth and productivity in an open Europe: The role of international flows of goods, services, capital and labour (5th ARC, 16-17 October 2008)

Keynote speakers: Bart van Ark, Richard Feeman, Eric Bartelsman, Tito Boeri, Philip Lane, and Erik Berglöf.

ARC 2008 website: http://ec.europa.eu/economy_finance/events/event12197_en.htm.

For a conference report see: http://ec.europa.eu/economy_finance/publications/publication13584_en.pdf.

Growth and income distribution in an integrated Europe: Does EMU make a difference? (4th ARC, 11-12 October 2007)

Keynote speakers: Cecilia Garcia-Peñalosa, Anthony Atkinson, Giuseppe Bertola, Robert J. Gordon.

ARC 2007 website: http://ec.europa.eu/economy_finance/events/event9211_en.htm.

For a conference report: http://ec.europa.eu/economy_finance/publications/publication10218_en.pdf.

Adjustment under monetary unions: Financial market issues (3rd ARC, 7-8 September 2006)

Among the speakers were Vítor Gaspar, Philipp Hartmann and Bent Sørensen.

ARC 2006 website: http://ec.europa.eu/economy_finance/events/event9667_en.htm.

Financial stability and the convergence process in Europe (2nd ARC, 6-7 October 2005)

Among the speakers were Iain Begg, Ludger Schuknecht and Claudio Borio.

ARC 2005 website: http://ec.europa.eu/economy_finance/events/event12000_en.htm.

Business cycles and growth in Europe (1st ARC, 7-8 October 2004)

Among the speakers were Michael Artis, Marianne Baxter and Lucrezia Reichlin.

ARC 2004 website: http://ec.europa.eu/economy_finance/events/event12046_en.htm