

Call for Papers

The Role of Finance in Stabilizing the Past, Present, and Future Real Economy

June 9–10, 2011, Berlin

The German Institute for Economic Research (DIW Berlin), Boston College, Finance Center Münster, and the Deutsche Bundesbank in cooperation with the *Journal of Financial Stability* are pleased to announce that they will host a conference on the *Future Role of Finance* on the 9th and 10th of June, 2011, in Berlin, Germany.

Aim and Scope

The financial crisis of 2007–2010 challenges the central paradigms of finance and financial regulation. Before the crisis, financial markets in developed economies were thought to follow the dictates of the efficient market hypothesis (EMH) and incentive conflicts in private and government supervision of financial transactions were assumed to be of secondary importance.

Accordingly, it was thought that findings from the Arrow-Debreu world applied: innovative assets would make the financial markets more complete and foster a better management and distribution of risk. Ex post, however, the crisis showed that financial markets had shifted substantial amounts of risk onto taxpayers. Many of the most innovative products (e.g. structured securitizations) channelled funds into opaque assets (e.g., derivatives on real estate) whose risks were hard to monitor. Topics of interest to the conference include, but are not limited to, the following research areas:

Re-assessment and evaluation

- of government support measures and crisis management (e.g. the issue of how crisis management can be improved by establishing a new financial market architecture); evaluation of insolvency detection
- of the role and the value-added of finance for the real economy in the past,

- of the future role of finance with respect to financial stability and stability of the real economy.

The Programme Committee for the conference comprises

- Christopher F. Baum (Boston College and DIW Berlin)
- Christian Dreger (DIW Berlin and Viadrina, Frankfurt/Oder)
- Edward Kane (Boston College)
- Thilo Liebig (Deutsche Bundesbank)
- Andreas Pfingsten (Finance Center Münster and DIW Berlin)
- Dorothea Schäfer (DIW Berlin and Jönköping International Business School)

Along with your submission, please indicate whether you would like the paper to be considered for publication in a special issue of the *Journal of Financial Stability*. Submission to the conference does not necessarily require submitting to the journal, but those submitting to the conference are encouraged to submit their papers for journal review as well. Your paper's acceptance for presentation at the conference does not guarantee publication in the Journal. All papers submitted to the Journal must pass the journal's regular refereeing process.

Note that the number of papers that can be accepted is limited. Authors of papers accepted for presentation at the conference will receive reimbursement of their travel expenses as per guidelines that will be provided later.

Interested authors should submit their papers to DIW Berlin via email to banking@diw.de. *Note that only electronic submissions will be considered.* The submission deadline is 1st of November 2010. Contributors will be notified by the end of January 2011.