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3RD EUROFRAME CONFERENCE
ON **E**CONOMIC **P**OLICY **I**SSUES IN THE **E**UROPEAN **U**ION

**Towards an Enlarging European Monetary Union:
Challenges for Old and New Member States**

Berlin, Friday 2 June 2006

Conference Hall Manzini-Mitte
Reinhardtstrasse 14
10117 Berlin

PROGRAMME

8.00 – 8.45: Registration

8.45 – 9.00: Opening Addresses

Georg Meran, DIW Berlin Vice-President,

John Fitz Gerald, EUROFRAME Chairman and ESRI

9.00 – 10.45: Parallel Session 1. Business Cycle Convergence in the EU (Room M4)

Chair: **George Gelauff, CPB**

Regional Growth Cycle Convergence in the European Union, **Gabriele Tondl, Europainstitut, University of Economics and Business Administration Vienna and Iulia Traistaru-Siedschlag, ESRI, Dublin and Center for European Integration Studies, University of Bonn**

Meta-Analysis of the Business Cycle Correlation between the Euro Area and the CEECs, **Jarko Fidrmuc, University of Munich, Faculty of Economics, CESifo, Comenius University Bratislava, and Iikka Korhonen, Institute for economies in transition, Bank of Finland**

A Model of the Stochastic Convergence between Euro-Zone Business Cycles, **Matthieu Lemoine, OFCE**

Explaining Growth Divergences in the Euro Area: The Role of Residential Investment, **Klaus-Jürgen Gern and Carsten-Patrick Meier, Kiel Institute for the World Economy (IfW)**

Discussant: **Ray Barrell, NIESR**

9.00 – 10.45: Parallel Session 2. Exchange Rates Issues for the NMS (Main conference hall)

Chair: **Catherine Mathieu, OFCE**

Convergence in Exchange Rates: Market's View on CE-4 Joining EMU, **Oxana Babetskaia-Kukharchuk, Czech National Bank, CNRS-ROSES Paris, State University-Higher School of Economics Moscow, Ian Babetskii, Czech National Bank, CNRS-ROSES Paris and Jiří Podpiera, Czech National Bank**

Real Equilibrium Exchange Rate in European Union New Members and Candidate Countries, **Virginie Coudert, Bank of France, University of Paris 13, CEPN and CEPII and Cécile Couharde, University of Paris 13, CEPN**

Fast Sailing toward the Euro: Dangers of the Lee Shore, **Aleš Bulíř, IMF and Kateřina Šmídková, Czech National Bank**

Exchange Rate Regimes and EMU Accession Strategies, **Mateusz Szczurek, ING Bank, Warszawa**

Discussant: **Gunther Schnabl, University of Leipzig**

10.45-11.15 Coffee Break

11.15 – 12.45: Parallel Session 3. Interest Rate Convergence (Room M4)

Chair: **Stefania Tomasini, PROMETEIA**

Bond Yield Compression in the Countries Converging to the Euro, **Lucjan T. Orlowski, Sacred Heart University, Fairfield and Kirsten Lommatzsch, DIW Berlin**

Interest Rate Pass-Through Convergence in an Enlarged Eurozone, **Harald Sander, Faculty of Economics and Business Administration, University of Applied Sciences Cologne, METEOR, Maastricht University, and Stefanie Kleimeier, Limburg Institute of Financial Economics, METEOR, Maastricht University**

Investigating the Effects of Monetary Policy in Post-Transition Economies: The Czech Republic and Poland, **Atanas Hristov, DIW Berlin**

Discussant: **Enzo Weber, Freie Universität Berlin**

11.15 – 12.45: Parallel Session 4. Macroeconomic Issues for the NMS (Main conference hall)

Chair: **Ewald Walterskirchen, WIFO**

Aggregate Wage Flexibility in Selected New EU Member States, **Ian Babetskii, Czech National Bank, CNRS-ROSES, University of Paris I-Sorbonne**

Current Account Imbalances and Monetary Union, **Marek Dabrowski, CASE**

The Challenges of EMU Accession Faced by Catching-up Countries: A Slovak Republic Case Study, **Anne-Marie Brook, OECD**

Discussant: **Jiri Slacalek, DIW Berlin**

12.45-13.45 Lunch

13.45 – 15.30: Parallel Session 5. Macroeconomic Strategies in the Accession Process (Main conference hall)

Chair: **Iulia Traistaru-Siedschlag, ESRI**

Economic and Monetary Integration of the New Member States: Helping to Chart the Route, **Ignazio Angeloni, Italian Ministry of Economy and Finance, Michael Flad, Johann Wolfgang Goethe University Frankfurt, and Francesco Paolo Mongelli, European Central Bank**

Exchange Rate Stability, Inflation and Growth in (South) Eastern and Central Europe, **Paul de Grauwe, Katholieke Universiteit Leuven, Center for Economic Studies and Gunther Schnabl, University of Leipzig**

Debts, Deficits, and the Accession of the New Member States to the Euro, **Andrew Hugues Hallett, Vanderbilt University, CEPR and John Lewis, De Nederlandsche Bank, Tallinn Technology University**

Discussant: **Henri Sterdyniak, OFCE**

13.45 – 15.30: Parallel Session 6. Exchange Rates (2) (Room M4)

Chair: **Markku Kotilainen, ETLA**

Exchange Rate Regimes and the Transition Process in the Western Balkans - A Comparative Analysis, **Ansgar Belke and Albina Zenkić, Universität Hohenheim, Stuttgart**

Euro Adoption and the Transfer Problem: The Case of the “Visegrad Countries”, **Jan-Alexander Bethge and Renate Ohr, University of Göttingen**

Capital Inflows, Monetary Policy and Exchange Rate Regime in New Member States: Implications for the Accession to the Euro Area, **Pavel Diev and Emmanuel Kurtz, Banque de France**

Two-Stage Games of Endogenous Fiscal Coalition Formation: Institutional Design of Stabilization Policies and the Accession to a Monetary Union, **Jacob Engwerda, Tilburg University, Tomasz Michalak, University of Antwerp, Joseph Plasmans, University of Antwerp, Tilburg University and Bas Van Aarle, University of Maastricht**

Discussant: **Agnès Bénassy-Quéré, CEPII**

15.30 – 16.45: Parallel Session 7. Monetary Policy in an Enlarged Union (Main conference hall)

Chair: **Joachim Scheide, IfW**

ECB Governance in an Enlarged Eurozone, **Agnès Bénassy-Quéré, CEPII and Edouard Turkisch, University Paris X**

Regional Biases and Monetary Policy in the EMU, **Wojciech Paczynski, CASE**

Does Money Matter in the ECB Strategy? New Evidence Based on ECB Communication, **Helge Berger, Free University Berlin, CESifo Munich, Jakob de Haan, University of Groningen, CESifo Munich and Jan-Egbert Sturm, ETH – Swiss Federal Institute of Technology, CESifo Munich**

Discussant: **Bas Van Aarle, University of Maastricht**

15.30 – 16.45: Parallel Session 8. Financial Issues for the NMS (Room M4)

Chair: **Klaus-Jürgen Gern, IfW**

Lending Booms in the New EU Member States: Will Euro Adoption Matter?, **Michał Brzoza-Brzezina, National Bank of Poland and Warsaw School of Economics**

The Expected Effect of the Euro on the Hungarian Monetary Transmission, **Gábor Orbán and Zoltán Szalai, Magyar Nemzeti Bank**

The Structure of the Central Eastern European Countries' Banking Market as an Element of European Financial Integration, **Ion Lapteacru, LARE-EFi-Université Montesquieu Bordeaux IV**

Discussant: **Kirsten Lommatzsch, DIW Berlin**

16.45-17.00 Coffee Break

17.00 – 18.45: Roundtable: Towards an Enlarging European Monetary Union: Challenges for Old and New Member States (Main conference hall)

Chair: **Alfred Steinherr, DIW Berlin**

Marek Dabrowski, CASE

John Fitz Gerald, ESRI

Juergen Kroeger, European Commission

Wolfram Schrettl, Freie Universität Berlin