



ADEMU WORKSHOP ON

“Risk-Sharing Mechanisms for the European Union”

Organizers: **Ramon Marimon** | *European University Institute and UPF-Barcelona GSE*
Giancarlo Corsetti | *University of Cambridge-INET*
Juan Rojas | *European Stability Mechanism*
Christopher Towe | *International Monetary Fund*

Theatre, Badia Fiesolana
Via dei Roccettini, 9 – San Domenico di Fiesole (Florence)

20-21 May 2016

As it has been recognized in the Four and Five Presidents’ Reports (2012 and 2015), the European Union – and, in particular, the Euro Area – needs mechanisms and institutions capable of absorbing the impact of shocks across states and regions, something which, to a large extent, is automatically accomplished through the central budget in federal states. Similarly, there have been proposals to enhance European risk-sharing in specific domains, such as European Banking Union Deposit Insurance or European Unemployment Insurance. The design, and the possible implementation, of risk-sharing mechanisms in a heterogeneous union without a significant federal budget, raises many questions which only appropriate research can fully and properly answer

■ PROGRAMME

Friday, 20th May

8.45-9.00 *Registration (Theatre) and welcome coffee (Lower Loggia)*

SESSION 1

9.00-9.10 **Welcome**
Joseph H.H. Weiler | *President of the European University Institute*
Ramon Marimon | *European University Institute and UPF-Barcelona GSE*



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9.10-10.15 MARKET VS. FISCAL RISK-SHARING

Chair: Richard Portes | *London Business School, CEPR and EUI*

“The Role of Fiscal Transfers in Smoothing Regional Shocks: Evidence from Existing Federations and Implications for the Euro Area”

Tigran Poghosyan | *International Monetary Fund*

Discussant:

Aitor Erce | *European Stability Mechanism*

“Income insurance: a theoretical exercise with empirical application for the euro area?”

Gilles Mourre* | *European Commission. DG ECFIN*

Serena Fatica | *European Commission. DG ECFIN*

Discussant:

Chima Simpson-Bell | *European University Institute*

10.15-10.30 *Coffee Break – Lower Loggia*

SESSION 2

10.30-13.00 RISK-SHARING IN THE EUROPEAN UNION AND IN THE EURO AREA

Chair: Juan Rojas | *European Stability Mechanism*

“On the optimal design of a Financial Stability Fund”

Árpád Ábrahám | *European University Institute*

Yan Liu | *Wuhan University*

Ramon Marimon* | *European University Institute and UPF-Barcelona GSE*

Discussant:

Charles Brendon | *University of Cambridge*

“Has the Euro increased risk-sharing across Euro Area countries?”

Alessandro Ferrari* | *European University Institute*

Anna Rogantini Picco | *European University Institute*

Discussant:

Cinzia Alcidi | *Center for European Policy Studies*

“Small Firms and Domestic Bank Dependence in Europe’s Great Recession”

Mathias Hoffmann | *University of Zurich and CESifo*

Discussant:

Kari Korhonen | *European Stability Mechanism*

* Presenting author



General Discussion

13.00-14.00 Lunch – Lower Loggia

SESSION 3

14.00-16.30 **BANK FINANCING, SOVEREIGN DEBT, CONTAGION AND RISK-SHARING**

Chair: Milena Wittwer | *European University Institute*

“Bailouts, Moral Hazard, and Banks’ Home Bias for Sovereign Debt”

Gaetano Gaballo | *Banque de France*

Discussant:

Andreja Lenarčič | *European Stability Mechanism*

“Risk-sharing and contagion in networks”

Piero Gottardi | *European University Institute*

Discussant:

Shengxing Zhang | *London School of Economics*

“European Government Bond Dynamics and Stability Policies: Taming Contagion Risks”

Martin Hillebrand* | *European Stability Mechanism*

Peter Schwendner | *Zurich University of Applied Sciences*

Discussant:

Roel Beetsma | *University of Amsterdam*

General discussion

16.30-16.45 Coffee and Tea Break – Lower Loggia

PANEL 1

16.45-18.00 **RISK-SHARING WITHOUT RISK-SHARING INSTITUTIONS**

Chair: Ramon Marimon | *European University Institute and UPF-Barcelona GSE*

Panel participants:

Angana Banerji | *International Monetary Fund*

Giancarlo Corsetti | *University of Cambridge-INET*

Thomas Cooley | *New York University*

18.00-18.30 **Open issues and further questions from the ADEMU Working Group**

Anna Rogantini Picco | *European University Institute*

Johannes Fleck | *European University Institute*

19.00 Dinner on the Lower Loggia – Badia (by invitation only)

* Presenting author



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Saturday, 21st May

8.45-9.10 Morning coffee – Lower Loggia

SESSION 4

9.10-10.50 AN UNEMPLOYMENT INSURANCE FOR THE EU (&EA)

Chair: Giancarlo Corsetti | *University of Cambridge-INET*

[“An Unemployment Insurance Scheme for the Euro Area? A Comparison of Different Alternatives Using Micro Data”](#)

Mathias Dolls | *ZEW*

[“On the Design of an European Unemployment Insurance Mechanism”](#)

Árpád Ábrahám | *European University Institute*

João Brogueira de Sousa* | *European University Institute*

Ramon Marimon | *European University Institute and UPF-Barcelona GSE*

Lukas Mayr | *European University Institute*

Discussants:

Juan F. Jimeno | *Banco de España*

Rody Manuelli | *Washington University in St. Louis and Federal Reserve Bank of St. Louis*

General discussion

10.50-11.00 Coffee Break – Lower Loggia

PANEL 2

11.00-12.00 RISK-SHARING WITHIN THE EMU: THE ESM EXPERIENCE

Chair: Giorgia Giovannetti | *University of Florence and European University Institute*

Panel Participants:

Aitor Erce | *European Stability Mechanism*

Päivi Leino-Sandberg | *University of Helsinki*

Juan Rojas | *European Stability Mechanism*

PANEL 3

12.00-13.15 NEW RISK-SHARING MECHANISMS FOR THE EMU

Chair: Christopher Towe | *International Monetary Fund*

Panel Participants:

Klaus Masuch | *European Central Bank*

Paolo Pasimeni | *European Commission*

Tuomas Saarenheimo | *Finnish Ministry of Finance*

Rolf Strauch | *European Stability Mechanism*

* Presenting author



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13.15-13.30 CONCLUDING REMARKS

Ramon Marimon | *European University Institute and UPF-Barcelona GSE*
Giancarlo Corsetti | *University of Cambridge-INET*
Juan Rojas | *European Stability Mechanism*
Christopher Towe | *International Monetary Fund*

13.30-14.30 *Lunch – Lower Loggia*

Those wishing to attend should register with margherita.fabbri@eui.eu

