EMU: Getting the Start Game Right

University of California, Berkeley
October 11-13, 1998

Sponsored by the Center for German and European Studies.
Co-sponsored by the Center for Western European Studies, the Clausen Center for
International Business and Policy, the Institute of International Studies,
the MacArthur Foundation, and the Portuguese Studies Program.

Organized by Fabio P. Ghironi (Department of Economics) and CGES.

Sunday, October 11, 1998, O’Neil Room, Faculty Club

6:30 PM     Reception and dinner (by invitation)

            Speaker: PEDRO TELES, Universidade Católica, Lisboa, and Banco de Portugal

Monday, October 12, 1998, Toll Room, Alumni House

The Economics of the Start Game

8:30 AM     Continental breakfast

9:00 AM     Welcome and opening remarks: RICHARD M. BUXBAUM, UC Berkeley

9:15 AM     Chair: VINOD K. AGGARWAL, UC Berkeley
            DAVID R. CAMERON, Yale University
            “Economic and Monetary Union and Unemployment in Europe”
            Discussant: MATTHEW CANZONERI, Georgetown University

10:15 AM    Coffee break

10:30 AM    JACQUES MÉLITZ, CREST-INSEE
            FRÉDÉRIC ZUMER, OFCE
            “Regional Redistribution and Stabilization by the Center in Canada,
            France, the UK, and the US: New Estimates Based on Panel Data
            Econometrics”
            Discussant: CHARLES ENGEL, University of Washington
11:30 AM  PAUL DE GRAUWE, Katholieke Universiteit Leuven  
HANS DEWACHTER, Katholieke Universiteit Leuven  
YUNUS AKSOY, Katholieke Universiteit Leuven  
“Decision Rules in the ECB and Monetary Stability”  
Discussant: MARK SALMON, City University Business School  

12:30 PM  Lunch  

1:30 PM  Special Session 1: Monetary and Fiscal Policy in the EMU Era:  
Externalities, Credibility, and Inflation Targeting  
Chair: MAURICE OBSTFELD, UC Berkeley  
LAURA BOTTAZZI, Bocconi University  
PAOLO MANASSE, University of Milan  
“Workers’ versus Bankers’ Europe (II): Policy Externalities and  
Credibility in EMU”  
Discussant: FABIO P. GHIRONI, UC Berkeley  
MICHAEL J. ARTIS, European University Institute  
PAUL MIZEN, University of Nottingham  
ZENON KONTOLEMIS, International Monetary Fund  
“The ECB and Inflation Targeting—with Some Lessons from the British  
Experience”  
Discussant: PAUL BERGIN, UC Davis  

3:10 PM  Coffee break  

3:40 PM  Special Session 2: The Euro and International Financial Markets  
Chair: ANDREW K. ROSE, UC Berkeley  
PHILIPPE MARTIN, CERAS-ENPC and Graduate Institute of  
International Studies  
HÉLÈNE REY, London School of Economics  
“The Financial Geography of Currency Blocs”  
Discussant: P. ANDRES NEUMEYER, Universidad T. Di Tella  
RICHARD PORTES, London Business School  
HÉLÈNE REY, London School of Economics  
“The Euro and World Capital Flows”  
Discussant: ANDREW K. ROSE, UC Berkeley  

5:20 PM  Adjourn
Tuesday, October 13, 1998, Toll Room, Alumni House

**The Political Economy of the Start Game**

8:15 AM       Continental breakfast

8:45 AM       Chair: BEVERLY CRAWFORD, UC Berkeley

MARK A. KAYSER, UCLA
“Convergence? EMU, Trade and the Strategic Timing of Elections”

Discussant: NICOLAS JABKO, UC Berkeley

9:45 AM       Coffee break

10:00 AM      **Special Session: Darkness and Irrelevance: Some Provocative Reflections on European Monetary Unification**

SUSANNE LOHMANN, UCLA and CASBS
“The Dark Side of European Monetary Union”

ADAM POSEN, Institute for International Economics
“Why EMU is Irrelevant for the German Economy”

Discussants: SUSANNE LOHMANN (for Adam Posen’s paper) and ADAM POSEN (for Susanne Lohmann’s)

11:30 AM      STEVEN WEBER, UC Berkeley
JOHN ZYSMAN, UC Berkeley
“Why the Changed Relation between Security and Economy Will Alter the Character of the European Union”

Discussant: CEDRIC DUPONT, Graduate Institute of International Studies

12:30 PM      Lunch

1:30 PM       Roundtable

**Will EMU Survive Its Childhood?**

Chair: JACQUES MÉLITZ, CREST-INSEE

BENJAMIN J. COHEN, UC Santa Barbara
KENNETH KLETZER, UC Santa Cruz
RICHARD PORTES, London Business School
RONALD ROGOWSKI, UCLA

3:00 PM       Adjourn