

MINSKY AT 100
Revisiting Financial Instability

PROGRAMME

Università Cattolica del Sacro Cuore
Rooms 110 – 111 – 112
Via Nirone 15
20123 Milan

Monday, December 16

8:30 - 9:00 Registration

9:00 - 9:15 Opening Welcome

9:15 -11:15 Round Table “The Lesson of Minsky” - Room NI 110

- Riccardo Bellofiore (Università degli Studi di Bergamo)
- Jan Kregel (Levy Institute)
- Maria Cristina Marcuzzo (Università di Roma La Sapienza)
- Pietro Modiano (Banca Carige)
- Engelbert Stockhammer (King’s College)

Moderator: Domenico Delli Gatti (Università Cattolica del Sacro Cuore)

11:15 – 11:30 Coffee Break

11:30 – 13:15 Parallel session (A)

A1: Modelling Minsky (I) - Room NI 110

- Minskyan structural instability in a simple geometric SFC Model (*John A. Smith*)
- A statistical mechanic perspective for the financial instability hypothesis (*Simone Landini, Corrado di Guilmi, Mauro Gallegati*)
- A meta-model for Minsky’s analysis (*Piero Ferri*)
- Financialization and monopoly surplus wealth: an empirical study (*Jlenia di Noia*)

A2: Regulation I - Room NI 111

- Data quality – Critical analysis of the targeted review of internal credit risk models (*Joerg Orgeldinger*)
- Countercyclical capital buffers: a cautionary tale (*Christoffer Koch, Gary Richardson, Patrick Van Horn*)
- The real effects of endogenous defaults on the interbank market (*Massimo Minesso Ferrari*)

A3: Financial cycles - Room NI 112

- Financial cycles in Europe: dynamics, synchronicity and implications for the business cycle (*Amat Adarov*)
- Tripping over the edge of the cliff. Business and credit cycles (*Filip Blazheski, Adrian Casilla*)
- Generalized Financial Cycle Theory from the Minsky’s Perspective: UK 1270-2016 (*Małgorzata Porada Rochoń*)

13:15 - 14:00 Lunch (Via Nirone 15, 1st floor)

14:00 - 16:00

Parallel Session (B)

B1: Monetary Policy - Room NI 111

- Monetary policy, rational confidence, and neo-Fisherian depressions (*Lucio Gobbi, Ronny Mazzocchi, Roberto Tamborini*)
- Leaning against the wind when inequality bites back (*David Van Dijk*)
- Non-linearity in risk-taking channel of monetary policy (*John Nkwoma Inekwe*)

B2: Macro-finance Models with Heterogeneous Agents – Room NI 110

- The stagnation-financialization paradox? Macro-finance agent-based model with heterogeneous expectations (*Enrico Maria Turco*)
- (Ir)rational explorers in the financial jungle: modelling Minsky with heterogeneous agents (*Alessia Cafferata, Marwil J. Dávila-Fernández, Serena Sordi*)
- Minsky from the bottom up - Formalising the two-price model of investment in a simple agent-based framework (*Severin Reissl*)
- Default recovery rates and aggregate fluctuations (*Giacomo Candian*)

B3: History of Economic Thought (I) - Room NI 112

- Modern money theory: rise in the international scenario and recent debate in Brazil (*Simone Deos, Olivia Bullio Mattos, Fernanda Ultremare, Ana Rosa Ribeiro de Mendonça*)
- Could we avoid it again? Advice Minsky would have given to banking regulators after the crisis (*Lorenzo Esposito, Giuseppe Mastromatteo*)
- Debt and financial sentiment. Early Keynes on balance sheet effects of asset price changes (*Korkut Ap Ertürk, Jake Jennings*)
- Heading for «financial sustainability»: the significance of Minsky's ELR then and now (*Anna Maria Grazia Variato*)

16:00 - 16:30

Coffee Break

16:30 - 17:30

Keynote Speech - Room NI 110
Michael Kumhof (Bank of England)

20:00

Social Dinner

Faculty Restaurant, Via Lodovico Necchi 9

Tuesday, December 17

9:00 - 10:30 Parallel Session (C)

C1: Financial Markets, Banks and Monetary Policy - Room NI 110

- Structural interdependence of price variations and market demand in the foreign exchange market (*Leonardo Bargigli, Giulio Cifarelli*)
- Stock markets, capital-constrained loan creation and monetary policy in a Behavioral New Keynesian Model (*Naira Kotb, Christian R. Proaño*)
- A multi-agent methodology to assess the effectiveness of alternative systemic risk adjusted capital requirements (*Andrea Gurgone*)

C2: Expectation and Monetary Policy - Room NI 111

- Monetary policy with diverse private expectations (*Mordecai Kurz, Maurizio Motolese, Giulia Piccillo, Howei Wu*)
- Rational beliefs, stock market and monetary policy (*Ginevra Gallassi, Maurizio Motolese*)
- Objective welfare evaluations with subjective expectations (*Carsten Nielsen*)

C3: Financial Instability and Structural Change - Room NI 112

- Chronicle of an (un)announced tragedy: A demand-side view of the run up to the Spanish 2008 crisis (*Héctor Labat Moles*)
- Housing booms fueled by credit (*Carlos Cañizares*)
- ECB quantitative easing, Euro depreciation and supply chains: industry-level estimates for Germany, Italy and Greece. New perspectives for a Minskyan Big Bank? (*Stefano Lucarelli, Lucio Gobbì*)

10:30 - 10:45 **Coffee Break**

10:45 - 12:45 **Parallel Session (D)**

D1: Credit Networks (I) - Room NI 110

- Non-performing loans and systemic risks in financial networks (*Giulio Bottazzi, Alessandro De Sanctis, Fabio Vanni*)
- Firm-bank credit network, business cycle and macroprudential policy (*Luca Riccetti, Alberto Russo, Mauro Gallegati*)
- Financial contagion and macroeconomic stability: an agent-based approach (*Gianluca Pallante, Mattia Guerini, Mauro Napoletano, Andrea Roventini*)

D2: Macrofinancial Fragility and Resilience - Room NI 111

- Sectoral and aggregate refinance and implications for fragility (*Daniel Neilson*)
- A critical analysis of the financial frictions approach in a Minskyian perspective (*Giancarlo Bertocco, Andrea Kalajzic*)
- Debt shift and macrofinancial resilience (*Dirk Bezemer*)

D3: Political Economy of Europe Working Group-YSI (I) - Room NI 112

- Housing market, household debt, financial accelerator and stagnation (*Francesco Ruggeri*)
- Shadow banking and financial fragility in an agent-based SFC framework (*Mehmet Ulug*)
- Corporate reorganization and accumulation of financial assets in Spanish NFCs: a firm-level panel data analysis (*Augustin Pedrazzoli*)

12:45 - 13:30

Lunch (Via Nirone 15, 1st floor)

13:30 - 15:00

Parallel Session (E)

E1: Keynesian Economics Working Group-YSI (II) - Room NI 110

- Can reserve accumulation be counterproductive? The unintended consequences of foreign exchange intervention (*Devika Dutt*)
- Testing fundamentalist-momentum trader financial cycles. An empirical analysis via the Kalman filter (*Filippo Gusella*)
- The impact of firms' financial burden on investments in machinery and equipment in Brazil from 2006 to 2016 (*Nikolas Schiozer*)

E2: Regulation (II) - Room NI 111

- Can law save a zero-lower bound constrained Central Bank in future financial crises? A money and legal View (*Elham Saeidinezhad, Tatev Hovhannisyan*)
- Bank regulation and market structure (*Carsten Nielsen, Gerd Weinrich*)
- Financial stability communication in monetary policy reports - a drop in the ocean. A text-mining experiment in CESEE countries (*Łukasz Kurowski, Paweł Smaga*)
- The double real estate bubble of the mid-2000s and the great recession: how a retreat from reasonable regulation led to a Minsky moment (*John V. Duca*)

E3: Rethinking Economic Models - Room NI 112

- Rethinking macroeconomics with endogenous market structure - a few extensions with capital markets (*Marco Mazzoli, Matteo Morini, Pietro Terna*)
- The impact of financialization on the rate of profit: a discussion (*Stefano Di Bucchianico*)
- Rethinking the role of the exchange rate as a policy tool for growth and structural change in a financialized environment (*Nalin Lorenzo, Yajima Giuliano Toshio*)

15:00 – 16:00

Keynote Speech – Room 110

What does Minsky mean to the profession (and to me)?
Bruce Greenwald (Columbia University)

16:00 - 16:30

Coffee Break

16:30 – 18:30

Parallel Session (F)

F1: Credit Networks (II) - Room NI 111

- Interbank market and funding liquidity risk in an SFC model (*Jessica Reale*)
- Systemically important banks - Emerging risk and policy Responses: an agent-based investigation (*Lilit Popoyan, Andrea Roventini, Mauro Napoletano*)
- Systemic risk underestimation in reconstructed networks (*Alexander P. Becker*)

F2: Modeling Minsky (II) - Room NI 110

- Policy experiments in a Minsky SFC model (*Malcolm Sawyer, Marco Veronese Passarella*)
- The job guarantee in an SFC model (*Julia Alencar Omizzolo*)
- Minsky's FIH is an emergent property of macroeconomic models derived directly from macroeconomic definitions (*Steve Keen*)

F3: History of Economic Thought (II) - Room NI 112

- Putting Minsky between Keynes and Schumpeter (*Mark Knell*)
- Development banks in Minsky institutional theory (*Kesia Braga*)
- The law and macroeconomics of secured lending (*Konrad Borowicz*)
- The financial innovation hypothesis. A structural interpretation of the Great Financial Crisis (*Eugenio Caverzasi*)