

Workshop
**The Architecture of Financial System Stability: From Market Micro
Structure to Monetary Policy**

May 24 – 26, 2006

Organized by
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Several academic studies have suggested that the number of financial crises has grown over time, especially since the end of World War II. As a result, central banks are increasingly turning their attention to ensuring financial system stability, or have taken it upon themselves to express their determination to ensure that financial system stability becomes an important element in the conduct of monetary policy. However, there is, as yet, no consensus on how to measure the severity of such crises, their potential impact on real economic activity, nor on the mix of policies that would best ensure that stability be attained and ensured. Indeed, there are some who would argue that a focus on price stability will limit the severity and likelihood of financial crises and that it is all that a central bank needs to focus on. Therefore, there is a pressing need to develop our understanding of the links between government and central bank policies, the risks they entail for financial systems in particular, and their potential to spread across economies more generally. In other words, the research agenda consists of both micro and macro factors impinging on the overall desirability of the goal of financial system stability.

KEYNOTE SPEAKERS: Charles Goodhart, London School of Economics, UK, Claudio Borio, Bank for International Settlements, Basel, Switzerland

LOCATION: The workshop will take place at the hotel La Palma in Capri, Italy on May 24 – 26, 2006.

TOPICS: Any papers that fit the themes outlined above will be considered for presentation.

EXPENSES: Expenses for travel (economy class round-trip) and accommodation will be partially covered for speakers and discussants.

SUBMISSION INFORMATION: Only complete research papers (electronic MS Word or pdf versions only) should be sent by 31 November 2005 to: Martin T. Bohl, Email: bohl@euv-ffo.de. Notifications of acceptance will be sent by 15 January 2006. Authors should confirm their participation by 1 February 2006.