

CESifo Venice Summer Institute

12–17 June 2017



Call for Papers

CESifo Workshop on

EXCHANGE RATE ADJUSTMENT IN THE EURO AREA

Organisers: Zeno Enders and Gernot J. Müller

to be held on **12–13 June 2017** on the island of San Servolo in the Bay of Venice, Italy

Workshop description

Economic performance in the euro area has been very heterogeneous since 2010. Intra euro-area real exchange rates, however, have not adjusted very much. This is arguably a major cause of the euro area's current woes. Yet, to date, there is no consensus as to why there is so little exchange rate adjustment. Complementary and competing explanations are based on, among other things, a) pervasive nominal rigidities and, in particular, downwardly rigid wages, b) deflationary spill overs from the periphery to the core of the euro area, c) the interaction of financial constraints and firms' price-setting behaviour, d) an incomplete

reversal of intra-euro area capital flows because of financial support of the periphery by the official sector, and e) diverging productivity developments.

The workshop provides a platform for discussing recent developments and research on the issue, also with a view towards informing actual policy making in the euro area. We aim to bring together the best existing and ongoing research on questions such as: Why have intra-euro real exchange rates adjusted so little after 2010? Is more wage/price flexibility desirable and, if so, how can it be achieved? Does a common currency slow down macroeconomic adjustment? To what extent are exchange rates driven by capital flows? How important are financial frictions to understand real exchange rate dynamics? How important is the Balassa-Samuelson effect in the euro area? Can adjustment be facilitated by monetary and fiscal policy or structural reforms?

Keynote speakers

Barry Eichengreen, University of California, Berkeley

Charles Engel, University of Wisconsin-Madison

Organisers

Zeno Enders, University of Heidelberg

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Submission & Publication

For submissions, please visit www.cesifo.org/venice and select the workshop you would like to submit your paper to by using the "Submit a paper"-link.

Only online submissions are accepted. Should you have any (technical) difficulties with the online submission procedure, please contact office@cesifo.de for assistance.

The deadline for submissions is **December 19, 2016**. Authors of papers that are accepted for presentation at the workshop will be notified by the end of February 2017.

All conference papers will be published as *CESifo Working Papers*.

It is understood that all submissions to the conference imply submission to this publication outlet. The papers presented at the workshop can be revised after the workshop to include comments.

CESifo will provide accommodation, and will reimburse economy travel costs, for all participants with accepted papers. All CESifo Research Network members are invited to participate, but are expected to provide their own funding for travel and accommodation.

For more information please consult www.cesifo.org/venice