

Workshop

“External imbalances: causes, consequences and rebalancing”

October 14, 2016

Research axis “Sustainable and International Finance”
of the European Research Group (GdRe) *Money, Banking, Finance*

organized by LEM-CNRS (UMR 9221), University Lille 1

Venue: University Lille 1, Faculty of Economics and Social Sciences

Subject

The global financial crisis of 2008-2009 and the subsequent sovereign debt crisis in the Euro area revealed that the rising indebtedness of both the public sector and private sector had come along with serious external imbalances. For some countries, aggregate demand was a major cause of current account deficits. Were financial inflows a major culprit in fueling domestic spending? For some other countries, the main problem was price competitiveness in foreign trade due to rising relative unit labour costs and real exchange rates imbalances. What are the strategies for rebalancing? They obviously differ according to the causes of imbalances. So there’s a need to identify these causes in order to assess the available options. Moreover, global imbalances mean that large current account deficits of some countries are somehow met by large current account surpluses. Do the factors of these surpluses come from trade or foreign investment? How come some countries have succeeded in correcting current account deficits, but external debt is still growing? Are adjustments less harmful with a floating exchange rate than with a fixed exchange rate or a common currency?

Topics include:

- Causes of external imbalances
- Private or public sector indebtedness and external imbalances
- Exchange rates, competitiveness and external imbalances
- External debt sustainability
- The role of financial flows in the adjustment of current accounts
- Policy options for rebalancing
- Role of the exchange rate regime in adjustments

Submission procedure

Please submit a paper to the e-mail address: florence.huart@univ-lille1.fr

The deadline for submission of completed papers is June 15, 2016. Acceptance of proposals will be notified by July 15, 2016. Each paper will be assigned a discussant at the conference. Presentation will be 30 minutes, followed by 15 minutes for discussion.

Scientific committee

António AFONSO (University of Lisbon), Michael ARGHYROU (Cardiff University), Sophie BRANA (University of Bordeaux), Cécile COUHARDE (University of Paris Ouest Nanterre La Défense), Christian DREGER (DIW Berlin), Balazs EGERT (OECD), Etienne FARVAQUE (University Lille 1), Florence HUART (University Lille 1), Jean-Christophe POUTINEAU (University of Rennes 1), Hélène RAYMOND (University of Paris Ouest Nanterre La Défense), Piotr STANEK (Cracow University of Economics), Fabien TRIPIER (University Lille 1), Lukas VOGEL (European Commission)

Keynote speaker

Guillaume GAULIER (Banque de France, Université Paris 1 Panthéon-Sorbonne, CEPPII)

Local organization

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