

# The Financial Crises of the 21st Century

Workshop of the  
Austrian Research Association

Thursday, October 18

- 13.00 Introduction of the Working Group  
Opening of the Workshop REINHARD NECK, ÖFG  
THOMAS GEHRIG, ÖFG
- 13.15-15.15 **The Private Sector Crisis** CHAIR: MATHIAS BANK
- The Crisis of 2007/8 MARTIN SUMMER, VIENNA  
Towards a Unified European Banking Market JOSEF ZECHNER, VIENNA
- Coffee break*
- 15.45-17.45 **The Public Sector Crisis** CHAIR: ENGELBERT DOCKNER
- Options for the Euro Area GERHARD ILLING, MÜNCHEN  
Macroeconomic Imbalances OLIVER LANDMANN, FREIBURG
- Coffee break*
- 18.15-19.15 **Trust and Economic Behavior** CHAIR: ERICH KIRCHLER
- Psychology of Trust in Money TAREK EL SEHITY, ROME

Friday, October 19

- 8.30-10.30 **Institutions and Political Behavior** CHAIR: DENNIS MUELLER
- Economic Attitudes in Financial Crises: The Democratic Challenge  
RAYMOND DUCH, OXFORD  
Multi-Party Government and Economic Policy-Making  
WOLFGANG C. MÜLLER, VIENNA
- Coffee break*
- 11.00-13.00 **Market Information, Media and Political Behavior** CHAIR: ALFRED WAGENHOFER
- 'Crisis' - 'Democracy' - 'Europe': terms of the contract? Framing public  
debates of the crisis KATHERINE SARIKAKIS, VIENNA
- Financial Reporting and Financial Stability CHRISTIAN LAUX, VIENNA
- 13.00-13.15 Summary and Future Activities of the Working Group THOMAS GEHRIG

*Organizers: Mathias Bank, Engelbert Dockner, Thomas Gehrig, Erich Kirchler,  
Sylvia Kritzinger, Dennis Mueller, Reinhard Neck, Alfred Wagenhofer, Josef Zechner*

Venue: Alois Wagner Saal, Centrum für Internationale Entwicklung, Sensengasse 3, 1090 Wien

The financial crises of the early 21. century represent major challenges to the modern globalized societies. After decades of globalization and international integration as well as regulatory discourse (e.g. the Basel process) these events demonstrate strikingly that modern societies were largely unprepared to the systemic shocks of the 2007/8 crisis as well as the ongoing European sovereign debt crisis. How could this happen? What are the lessons to be learnt from the recent crises? How can future crises of global dimension be prevented, if at all? These are the issues that the newly launched working group on "Financial Crises" of the Austrian Research Association is seeking to analyze and address.

The Workshop starts with a short ex-post review of the crises, presenting the sequence of events and formulating a first set of conjectures about causes and consequences. A key reaction to both crises is a tremendous loss of trust, both in the private sector as well as in the public sector with potentially serious implications for liberal and democratic societies. Not surprisingly, trust in the money (and monetary policy) will be a key element in maintaining or re-establishing trust in political institutions. How do political institutions affect behavior? What is the role of economic attitudes and economic knowledge? The last section explores ways that affect economic attitudes, media, information and communication. Which role do they play and how can they be manipulated? How does (the threat of) manipulation affect economic and political behavior?

### **Chairs and Speakers:**

Prof. Matthias Bank, Inst. of Banking and Finance, Universität Innsbruck

Prof. Engelbert Dockner, Inst. for Finance, Banking and Insurance, Wirtschaftsuniversität Wien

Prof. Raymond Duch, Nuffield College, University of Oxford

Dr. Tarek el Sehity, Inst. of Cognitive Sciences & Technologies, Consiglio Nazionale delle Ricerche

Prof. Thomas Gehrig, Dept. of Finance, Universität Wien

Prof. Gerhard Illing, Dept. of Economics, Universität München

Prof. Erich Kirchler, Dept. of Applied Psychology: Work, Education & Economy, Universität Wien

Prof. Oliver Landmann, Inst. for Economic Research, Universität Freiburg

Prof. Christian Laux, Inst. for Finance, Banking and Insurance, Wirtschaftsuniversität Wien

Prof. Wolfgang C. Müller, Dept. of Government, Universität Wien

Prof. Dennis C. Mueller, Dept. of Economics, Universität Wien

Prof. Reinhard Neck, Dept. of Economics, Universität Klagenfurt

Prof. Katharine Sarikakis, Dept. of Communication, Universität Wien

Dr. Martin Summer, Economic Studies Division, Oesterreichische Nationalbank

Prof. Alfred Wagenhofer Inst. of Accounting and Control, Universität Graz

Prof. Josef Zechner, Inst. for Finance, Banking and Insurance, Wirtschaftsuniversität Wien

### **Organizing Committee Office**

Oesterreichische Forschungsgemeinschaft

Mag. Caroline Hecht, oefg@oefg.at

Berggasse 25, A-1092 Wien / Austria

Tel: ++43 1 319 57 70 11