



Ninth Trento Summer School

Intensive course in Financial Instability and Crises

CEEL program in Adaptive Economic Dynamics

30 June - 11 July 2008

Centro Congressi Panorama, Trento - Italy

Program Directors

Axel Leijonhufvud
Enrico Zaninotto

Co-Directors of the School

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Guest Lecturers

Stefano Battiston
Michael Bordo
Claudio Borio
Axel Leijonhufvud
Didier Sornette
Roberto Tamborini
Gianni Toniolo

Summary of the Course

The subprime meltdown in the United States and the associated turmoil in financial markets worldwide, the deterioration of the balance sheets of financial institutions, the sudden evaporation of liquidity, the credit crunch and the resulting recessionary pressure on economic activity have brought to the fore the issue of Financial Instability. Both in the jargon of practitioners and central banks and in the academic literature, there are two notions of financial instability:

- (1) excessive volatility of financial prices;
- (2) risk of a crisis due to financial fragility of banks, firms or households.

The two notions capture complementary features of the development of financially driven fluctuations. A financial crisis may start with a stock market crash, or a run on banks or an avalanche of bankruptcies among firms or households. In the worst case, all three will occur. Central banks are the first line of defence reacting to prevent or limit the consequences of a financial crisis by injecting liquidity into the system. In severe crises, conventional monetary policy may prove ineffectual and radical fiscal measures may be required.

The Ninth Trento Summer School on Financial Instability and Crises will familiarize students with the stylized facts of financial crises and with recent theoretical and empirical advances in understanding financial instability. Topics of the summer school include:

- Financial Fragility and crises in historical perspective
- Financial factors, investment and fluctuations
- Financial networks, contagion, bankruptcy avalanches
- Financial markets crashes
- Inflation and finance
- Financial variables and monetary policy

The Ninth Summer School will run for two weeks and consists of an intensive course in Financial Instability and Crises as well as invited lectures by international experts in the field.

Application Procedure

Persons interested in participating in the Summer School should submit the following:

- the electronic application form
- a detailed Curriculum Vitae
- a two-page essay describing their interest in finance
- a course transcript from their Ph.D program including advanced examinations passed
- two letters of recommendation

The Trento Summer Schools are intended for Ph.D students and post-doctoral scholars.

Please send all the above documents and information to Prof. Enrico Zaninotto

We encourage electronic submissions:
ccschool@economia.unitn.it

Prof. Enrico Zaninotto

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The deadline for application is **30 April 2008**.

Admissions decisions will be made and announced by 15 May 2008. All applicants will be informed by e-mail about the results.

For logistical questions and application forms please contact the Summer School secretary at ccschool@economia.unitn.it or consult our web page at

<http://www-ceel.economia.unitn.it>

**Computable and Experimental
Economics Laboratory (CEEL)**

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