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***Call for Papers***

**9th Macroeconomic Policy Research Workshop on**

***Understanding Financial Frictions***

**September 30-October 1, 2010**

**Budapest, Hungary**

**Magyar Nemzeti Bank**

**Centre for Economic Policy Research**

The Magyar Nemzeti Bank (MNB), in collaboration with the Centre for Economic Policy Research (CEPR), will hold its ninth Workshop on Macroeconomic Policy Research in Budapest on September 30-October 1, 2010.

Financial frictions explain both the value added and the occasional failures of financial markets. Information asymmetries, agency problems, search costs, financial constraints and coordination problems provide reasons why finance is substantially more than a veil over the real economy, and can have influence on the growth prospects and business cycles in developed and emerging countries. Previous and recent financial crises have also underlined that these frictions influence relationships no just between intermediaries and borrowers but extend to interactions among the intermediaries themselves, raising important questions on the optimal regulation and policy frameworks countries should provide. The goal of the conference is to invite policy relevant theoretical and empirical academic contributions and bring together academic economists and central bank researchers to discuss these issues.

Topics of the 2010 meeting include:

1. Sources of financial frictions:
	* + Sources of liquidity
		+ Reasons of market incompleteness and dysfunctions
		+ Role of banks
2. Financial frictions in macromodels
	* + Financial sector and real economy
		+ Sources and consequences of financial crises
		+ ‘Sudden stops’, financial contagion and other open economy issues
3. Optimal policy and regulation
	* + Role of financial frictions in policy transmission
		+ Macroprudential and capital flow regulation
		+ New roles of central banks in financial stability
		+ Understanding systemic risk

Keynote Speakers:

* **Nobuhiro Kiyotaki** (Princeton and CEPR)
* **Ricardo Caballero** (MIT)

The workshop will be held at the Magyar Nemzeti Bank in Budapest. Participants from central banks are expected to cover costs of travel and local expenses. Costs of participants from academic institutions may be reimbursed by the organizers upon request. No conference fee will be charged.

To apply, please contact **Ms. Caroline Daniels,** CEPR Meetings Assistant, at cdaniels@cepr.org or +44 20 7183 8817. Please indicate in your response whether or not you wish to present a paper or would be willing to act as a discussant. The deadline for replies is **18:00 GMT on Tuesday, 1 June 2010**.

The submitted papers will be reviewed for selection by the organizing committee. Deadline for submitting the extended abstract or a completed draft (strongly preferred) of the paper is June 1, 2010. Decisions on the selected papers will be made by June 22, 2010.

Organizing committee:

* Péter Benczúr (MNB and Central European University)
* Péter Karádi (MNB)
* Péter Kondor (Central European University)
* Frank Smets (ECB and CEPR)

Further information and the final program will be posted at the

<http://english.mnb.hu/engine.aspx?page=mnben_konf_fomenu>

The program of last year’s workshop can be found at

<http://english.mnb.hu/Engine.aspx?page=mnben_konf_fomenu&ContentID=12264>