Elise KREMER

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4 rue Paul Reiss, 67000 Strasbourg, France
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French

Profesional Experience

Assistant lecturer, *University Paris 1 Panthéon-Sorbonne* 09/2020 – 09/2022
Paris, France

- Teaching macroeconomics lectures to 1st-year students, focusing on indicators, their construction and interpretation
- Teaching statistics lectures to 1st-year students, introducing graphic analysis, measure of central tendency and dispersion, structure effects
- Teaching macroeconomics lectures to 2nd-year students, focusing on classical, keynesian, neoclassical and neokeynesian economics

Internship as Research Assistant, with Dr. Sébastien Villemot, 04/2017 – 06/2017
French Observatory of Economic Conjunctures (OFCE) Paris, France

- Calibration and simulation of a stock-flow consistent model with Mathematica

Internship as Research Assistant, with Prof. Dr. Jean-Olivier Hairault, 06/2016 – 07/2016
Maison des sciences économiques Paris, France

- Theoretical research on DSGE modeling

Internship as Parliamentary Assistant, *French Parliament* 06/2015 – 07/2015
Paris, France

- Production of articles
- Production of briefing notes about economic topics
- Detailed reporting of parliamentary debates on economic reforms

Education

European Doctorate in Economics Erasmus Mundus (EDEEM), *Paris 1* 2017 – now
Panthéon-Sorbonne University & Bielefeld University (French-German joint degree)

- PhD Thesis: "Financial innovations and macroeconomic stability: an assessment of contingent convertible bonds", under the supervision of Prof. Dr. Bruno Tunel (University of the Witwatersrand, South Africa) and Prof. Dr. Herbert Dawid (Bielefeld University, Germany)

M.Phil (Master 2) in Economic and social research, with high honours, 2016 – 2017
Paris 1 Panthéon-Sorbonne University

- Master thesis: "The modelling of the financial sector in post-keynesian stock-flow consistent models", under the supervision of Prof. Dr. Bruno Tinel (University of the Witwatersrand, South Africa)

M.A. (Master 1) in Empirical and Theoretical Economics, with honours, 2015 – 2016
Paris 1 Panthéon-Sorbonne University & Paris School of Economics

- Master thesis: "Should Sweden join the Eurozone? A counterfactual analysis", under the supervision of Prof. Dr. Jean-Olivier Hairault (Paris 1 Panthéon-Sorbonne University, France)

B.Sc (Bachelor 3) in Econometrics, with honours, 2014 – 2015
Paris 1 Panthéon Sorbonne University

Preparatory classes: two-year undergraduate intensive course in Humanities and Social Sciences (B/L), *Lycée Fustel de Coulanges, Strasbourg* 2012 – 2014

French Baccalaureate in Science, with honours, *Lycée Saint-Antoine, Phalsbourg* 2012

Conferences and research paper presentations

"ABM4Policy" Workshop, *Scuola Superiore Sant'Anna* 11/2022
Workshop with academic and central bank economists on the topic of heterogeneous agent modelling applied to policy analysis. Pisa, Italy

23rd annual Forum for Macroeconomics and Macroeconomic Policies (FMM) 10/2019
International conference on the theme of the Eurozone at 20 and the associated macroeconomic challenges. Berlin, Germany

"Financialized Globalization" Workshop, *Paris 1 Panthéon-Sorbonne University* 06/2019
Workshop with academic economists on the topic of financialisation. Paris, France

"History, money and the macroeconomy in political economy" Workshop, 06/2018
University of the West of England Bristol, United Kingdom
Workshop with academic economists on the topic of monetary macroeconomics through a historical and political lens.

Publications

Kremer, Elise (2022). "Contingent convertible bonds and macroeconomic stability in a stock-flow consistent agent-based model", *Job market paper (available at the following GitHub link)*

In 2008, excessive risk-taking from banks led to large losses when households couldn't repay their debt. It resulted in bank bankruptcies and in costly bailouts borne by the taxpayers. To prevent this from happening again, regulators are demanding that banks be able to deal with this type of problem ex ante by setting aside larger and higher quality capital and by relying more on bail-in mechanisms. As a result, the banking sector has created a new type of asset: contingent convertible bonds (CoCos). When the banks' ratio of assets and liabilities exceed a threshold, these bonds either convert into shares or are written off, which boosts their capitalization. CoCos are intended to strengthen the stability of the banking system and to ensure that the government is not required to fully assume the bailout of banks. As no CoCo has yet been activated, their effectiveness remains hypothetical. Can they fulfil their mission of stabilising the banking sector ? How does this risk shifting translate for the whole economy? Can the costs of such bail-ins outweigh their benefits in some situations? Will CoCos play a stabilizing or destabilizing role in the event of another financial crisis?
This paper aims at assessing CoCos in a stock-flow consistent agent-based model. The JMAB model by Caiani et al. (2016) is extended by adding: 1. a new class of financial assets, 2. learning behaviours on the part of investors, 3. a variable opinion component (alternating between optimism and prudence on the part of issuing banks and investors) allowing to take into account possible financial contagion effects through information spillovers.

Kremer, Elise & Tinel, Bruno (2022). "Contingent convertible bonds and macroeconomic stability in a stock-flow consistent model", *Metroeconomica, 73(4), 1112– 1154. https://doi.org/10.1111/meca.12392*

This paper develops a kaleckian economy in a stock-flow consistent (SFC) model to assess the effect of contingent convertible bonds (CoCos) in terms of stability through numerical simulations. The specific characteristics of the model are a dual sector of households (workers and investors) and a dual banking system (retail banks and investment banks). Two simulations are implemented. One focuses on an increase in defaults on workers' loans which triggers a write-down of CoCos issued by retail banks and the other on a decrease in corporate share prices which triggers a write-down of CoCos issued by investment banks. The overall effects are qualitatively similar. There is a shift of risks and adjustment costs from issuers to holders of CoCos which reduces companies' investment and investing-households' consumption. The simulations show that the triggering of CoCos has a positive effect on the balance sheet of CoCos issuers. It also reduces the cost of bailouts. In return, there is an increase in real and financial instability. Two regulatory recommendations follow from this research. 1/ Banks could be required to issue a fraction of their debt in CoCos in order to reduce bailout costs. 2/ When CoCos are activated, their issuer could be forced not to intervene on all or part of the financial markets, for a predefined period of time and/or value, in order to limit the destabilisation of price assets.

References

Prof. Dr. Bruno TINEL, University of the Witwatersrand (South Africa)
bruno.tinel@wits.ac.za

Prof. Dr. Herbert DAWID, Bielefeld University (Germany)
hdawid@uni-bielefeld.de

Skills

Data analysis softwares
SAS
R
Stata

Programming languages
Python
Java

Office Pack

Languages

French
Native

English
C1

German
B1