

About the Study Center Gerzensee

The heart of Study Center Gerzensee is the "Neues Schloss" that looks back on a long history. It was first associated with a manor house called the "Old Castle", situated at the other end of the village. Originally the "Old Castle" was a fortress complete with walls, towers and moat. With Romanticism, the beauty of nature was rediscovered. This motivated Samuel Morlot to build in 1700 a two-story construction with a garden hall. The "New Castle" was born. It featured what one could call a "look out" to the lake and its beautiful mountain scenery. He also ordered terraces to be built facing the Bernese Alps. The Von Graffenried Family, the next owners contributed to the history of the house by building the eastern and western side wings. In 1755 Franz Emmanuel Anton von Graffenried shifted his residence from the "Old" to the "New Castle".

The Von Erlach Family owned this property from 1813-1918. They extended the new manor house by raising it by a floor. In 1918 the castle and land were sold to Hélène Adèle Lindemann whose family owned cotton plantations and manufacturing plants in Egypt. After crisis years, ownership of the castle passed to the Misr Bank in Cairo, and was managed by the Bank von Ernst in Berne. In 1940 the construction businessman Franz Eugen Losinger bought the castle with both the farms and the lake. He undertook major improvements; the main castle building was given a typical large Bernese roof, the farm "Schlossgut" was renovated and an indoor swimming pool was added to the main building, in the present library. In 1980 the Swiss National Bank bought the "New Castle" and its grounds. After a period of renovation, the Study Center Gerzensee opened its doors in 1986.

Editorial

The design of optimal economic policies requires a solid understanding of our economic environment. The recent episodes of high volatility in world financial markets have demonstrated that much more effort is required to improve our knowledge. Recent courses and conferences that we have organized attempt to contribute modestly to this goal.

We have recently hosted a conference on "Monetary Policy under Incomplete Information", jointly with the Journal of Monetary Economics. Some of the most brilliant experts in the field of monetary economics presented important works described in the next two pages. In particular, they proposed techniques that have wide potential applications for central banks. The European Summer Symposia in Economic Theory and in Financial Markets, organized jointly with CEPR (Center for Economic Policy Research, London), also gives researchers the opportunity to discuss in detail a wide set of issues. For example, a full week was dedicated to financial crises from both a microeconomic and a macroeconomic perspective.

Our central bankers courses, although more pragmatic in nature, give strong weight to analytical issues. The first course in "Understanding Financial Crises" reviewed recent developments in theories and empirical methods. An important course on Bank Supervision and Regulation analyzed in detail the various sources of risk for financial intermediaries, as well as potential solutions. Professor Anthony Saunders of New York University provides numerous insights regarding these issues in an interview given in the following pages. The remainder of this newsletter reviews our many activities in the previous six months and presents our program for 2001.

Philippe Bacchetta, Director

- Academic Conferences
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- Central Bankers Courses
- Doctoral Courses
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Academic Conference

Monetary Policy under Incomplete Information

From October 12-14, 2000, the Study Center Gerzensee hosted its sixth conference organized jointly with the Journal of Monetary Economics and the Swiss National Bank. This year's topic was "Monetary Policy under Incomplete Information". This topic was ideally suited to bringing together economists working on the cutting edge of theoretical research with those working on the front lines at several central banks. Conference organizers Philippe Bacchetta, Robert King (Boston University), Charles Plosser (University of Rochester) and Georg Rich (Swiss National Bank) selected six papers to be presented, as well as the excellent discussants.

How monetary policy should best be conducted in an environment where the central bank is uncertain about the future and/or current state of the economy is an issue of great interest to both central bank economists and academic researchers. During the presentations and discussions, two main sets of

questions emerged. The first two papers addressed the question: Upon which variables should the central bank condition its monetary policy under incomplete information? First, Ben Bernanke and Jean Boivin presented a positive and empirical analysis of the Federal Reserve's use of information in forecasting and setting monetary policy. By estimating a policy reaction function that approximates the change in the Federal Funds Rate as a function of a wide range of variables, these authors were able to ascertain which of these variables was significantly influencing the Fed's choice of interest rates. They find that not only did the Fed react as expected to inflation and the output gap, but that it also seems to have taken data on housing starts and various government bond yields and spreads into account. Next, Mike Dotsey posed a related question, but one with a more normative and monetary bent: should the Fed be paying attention to money when setting the Federal Funds Rate? This question is motivated by the growing focus

Christopher Sims



on Taylor rules, which imply that interest rate choices should depend upon the (expected) inflation rate and the (expected) output gap, while ignoring money. Dotsey finds that this omission is indeed justified: in an economy with sticky prices, the monetary authority should not condition policy on the behavior of money regardless of whether information on the current state of the economy is complete or incomplete. This latter result was found by many to be particularly intriguing, since it indicates that money is not useful in helping forecast inflation or real output.

A second group of papers was concerned with the question of whether monetary policy should be conducted more or less aggressively in the presence of incomplete information. The first contribution on this topic was provided by Thomas Sargent, presenting work co-authored with Lars Hansen. In their work, incomplete information is modelled in a very innovative, consistent manner. In

Thomas Sargent



particular, the agents in the model are all aware that the parameters of the model might be uncertain. Thus, these agents wish to find *robust* policy rules, rules which perform well under all the parameters which they see as most likely to be correct. It turns out that the more robust rules are those which involve a less aggressive monetary policy. Along the same lines, the paper presented by Athanasios Orphanides also takes a stand in favor of a less aggressive monetary policy. Orphanides reports on a counterfactual analysis, in which he finds that more aggressive monetary policy would have produced worse results during the high-inflation 1970's. In particular, he suggests that although a more aggressive policy might have been optimal under full information, a less aggressive and less discretionary policy would have been more appropriate given the real-time informational limitations of the central bank. These empirical results provided a perfect introduction to the next theoretical contribution of the



Lars Svensson



Ben Bernanke

Program

conference. Lars Svensson, reporting on joint work with Michael Woodford, shows that with complete information, the optimal policy response to optimal estimates of the output gap are the same under certainty and uncertainty. However, when constructing estimates of the output gap based upon imperfectly observed indicator variables, the weight on that variable does indeed depend upon the amount of noise with which it is observed. This latter result builds a bridge back to the earlier papers on which variables the monetary authority should condition monetary policy. Svensson and Woodford's response is that the monetary authority should place greater weight upon those variables which are observed more reliably.

In the final contribution to the conference, Chris Sims presented current work on a new concept of incomplete information. Rather than focusing on information imperfections arising from imprecise or noisy observation of variables, Sims considers the implications of finite information-processing capabilities. That is, it is not so much that

the data observed is so noisy, but that there are limits to how much data can be observed and processed by economic agents. This radically different view of information has the potential to provide a completely new paradigm for incomplete information. Overall, the conference provided a view to new directions for fruitful future research on monetary policy. After the papers have gone through the usual refereeing process, they will be published in a special issue of the Journal of Monetary Economics.

Ben Bernanke, Princeton University and
Jean Boivin, Columbia University,
"Monetary Policy in a Data-Rich Environment"
Discussants:
Ignazio Angeloni, European Central Bank and
Harald Uhlig, Humboldt University

Michael Dotsey, Federal Reserve Bank of Richmond and
Andreas Hornstein, Federal Reserve Bank of Richmond
"The Usefulness of Money in Monetary Policy"
Discussants:
John Williams, Federal Reserve Board and
Frank Smets, European Central Bank

Lars P. Hansen, University of Chicago and
Thomas J. Sargent, Stanford University and the Hoover
Institution
"Robustness in Macro Models with Foresight"
Discussants:
Lars Svensson, University of Stockholm and
Nicoletta Batini, Bank of England

Athanasios Orphanides, Federal Reserve Board
"The Quest for Prosperity without Inflation"
Discussants:
Thomas Jordan, Swiss National Bank and
Robert Rasche, Federal Reserve Bank of St. Louis

Lars Svensson, University of Stockholm and
Michael Woodford, Princeton University
"Indicators for Optimal Policy under Asymmetric
Information"
Discussants:
Henrik Jensen, University of Copenhagen and
Harris Dellas, University of Bern

Christopher Sims, Princeton University
"Rethinking the Microfoundations of Macroeconomic
Stickiness"
Discussants:
Lars P. Hansen, University of Chicago and
Robert G. King, Boston University



Lars Hansen and Robert King



Michael Woodford and Philippe Bacchetta

Interview

You are teaching the Bank Regulation course at Gerzensee, what is your goal?

The goal is to bring the students as up to date as possible with modern techniques in risk management. Over the last few years, there have been many developments and many new ideas in managing risk. Much has been coming from the US, perhaps the UK and possibly Germany. The idea of the course is to diffuse some of these ideas to a wider audience, especially bank supervisors. I think many bank managers have quicker access to these ideas. It is not clear that the regulators are catching up, so the knowledge gap is getting wider. Consequently, the aim of the course is, in a very short time, to bring students, especially from developing countries, up to speed in the new techniques of managing credit risk, market risk, liquidity risk, operating risk, etc.

How does this approach differ relative to the similar course you have given to commercial bankers?

I examined how commercial bankers and regulators measure these risks. I also talked about the regulatory models of the BIS (Bank for International Settlements). In recent years it has gotten very interested in credit risk and other risk management areas. For example, in June 1998, it issued proposals for additional capital requirements for operational risk and interest rate risk. So, part of the course is to bring the students up to speed with these proposals and



Professor Anthony Saunders

compare how other regulators are proposing to measure these risks as the best practice of banks in actually doing it.

The participants are a group of people from widely diverse nations with different institutions. How does the situation differ in different countries? Can you teach them something?

There are massive differences between the countries and one of the things I do is to have cases where students get into groups of six where you ask a "supervisor" to rate a bank in terms of being good, weak, problem, etc. This allows them to share different perspectives from different countries as to how to rate a bank. So, for example in America there is a CAMEL system and many other countries have adopted it. Some countries still use purely subjective judgment for examinations. This teaching method allows them to learn from each other and to explore alternative ways of doing things, and to consider changing practices where the supervisor feels that his system is less appropriate than the one used in other countries. So, it is partly sharing experiences. Anyway, I think that's how it's best to approach teaching when there is such a high variance of knowledge and approaches across different countries.

But some countries cannot use such techniques because they do not have such well-developed financial markets. What do they do, do they use expert judgment?

The hope is to provide them with a forward-looking model of what the future might be, although for many of these countries these techniques might be 10 or 20 years away. It is a difficult question. Some models are clearly inapplicable in some countries at the moment. But my view is that in the way the world is changing and ideas are being diffused, hopefully in 10 or 20 years many of the models will be used in these countries. At least we are spreading the knowledge of what exists out there. It is important that the best practices for developing countries be discussed, even if it has a very limited financial system and markets.

The schedule lists lectures with the titles having the risks you mentioned, for example, interest rate risk. What do bankers in developing countries view as the most important risk?

If you ask a developing country banker - just my opinion - probably he will say 60% is credit risk, perhaps 30% operational risk (including fraud) and perhaps 10% market risk and interest rate risk. Credit risk is clearly dominant and operational risk, while important, is unfortunately also the most difficult to measure. In some sense, the new frontier of risk management is operational risk and how to measure it. Many people can't

even agree on what it is. They say that it includes things like fraudulent behavior, reputation costs, technological breakdowns. This is the most difficult of all the risks but clearly one we need to consider, especially for emerging market countries. In this course I'm trying to lay a foundation for thinking about these component types of risk.

You advise different organizations. What is the role of academic consultancy in these organizations? Is academic research too abstract for policy makers?

I'm an academic consultant to the New York Fed and the Federal National Mortgage Association and I've been an academic consultant to the Board of Governors, and I've also visited the IMF, the World Bank, etc. I think the role of an academic advisor is just to bring a different perspective to the problems faced by these institutions and to bring recent thinking from the academic world. Many practitioners in these institutions are busy on a daily basis, especially in organizations like the World Bank, for example, which faces very pressing day-to-day problems. They are familiar with the issues and it is just a question of bringing them up to speed in certain areas. The advisor opens up these institutions to ideas on the frontier of research. I must also say that the World Bank etc. now have excellent research departments and so the knowledge gap to the academic world has narrowed quite a lot in the last ten years as these institutions

Anthony Saunders is the John M. Schiff Professor of Finance and Chair of the Department of Finance at the Stern School of Business, New York University. He has served as a visiting professor all over the world, including INSEAD, the Stockholm School of Economics, and the University of Melbourne. He holds positions on the Board of Academic Consultants of the Federal Reserve Board of Governors as well as the Council of Research Advisors for the Federal National Mortgage Association. Anthony Saunders is the author of the book "Financial Institutions Management - A Modern Perspective" that was the main reference for the course on "Bank Regulation and Supervision". His research has been published in all of the major money and banking journals and in several books.

have been building up their own research capabilities. In sum, I think the role of the academic advisor is probably diminishing in terms of value added.

So, you've done too good a job!

The people that these institutions are hiring have just improved so much that now they are in many cases as good as those in many academic departments.

Going into more "personal" stuff now: what projects are you working on?

Mostly I've been interested in the question of bank powers: should banks be allowed to expand into different activities? The specific issue it hinges on is what's special about banks; what special functions do they provide? So for example, I will mention two papers I have recently completed. The first one looks at effects of the sale of loans by a bank. How is that news received by the stockholders of the company affected, those whose loan is being sold? The argument in the literature is that banks are special due to the private information they generate about companies. So when a company's loan is being sold: does it carry negative infor-

mation to the market about the firm? If so, then you can say that banks are special in the sense that they have this ability to collect and diffuse private and valuable information. What I find is a very strong negative effect on the announcement of bank loan sales by banks. So, this adds to our knowledge base because people have found the reverse to hold; that is, when a bank makes a new loan it has a positive effect on the stock returns of the borrowing firm because it's generating favorable information.

The second paper looks into the role of banks as merger advisers. In America, both investment and commercial banks can advise a bank in a merger. It's always been legally possible but it is interesting because banks also have been lending to those Mergers and Acquisitions customers. So, does it make a difference whether a bank or an investment bank is a merger adviser, controlling for things like the riskiness of the company, etc? We find that targets, the firms being acquired, generally are impacted favorably with higher returns, if a commercial bank is an advisor. So, it suggests that banks certify targets to the market. One could argue that the bank is advising the

target because the target owes the bank money, which the bank wants to get back, a conflict of interest. Our results suggest that the certification effect (the bank certifies that the target is good) dominates any conflict of interest effect, and on a net basis this has a strong positive effect on the target's return. So, these are interesting research issues to me. They relate to what banks do, why banks are special, and the extension of banking powers.

If I may say, you look like a laid-back kind of guy, but yet you are the Chairman of the Finance Department at NYU In New York City, a very aggressive place of course. How do you do it?

NYU is rated consistently in the top five departments of Finance in the world. We are a department of 41 finance professionals, huge by any standards, and we have many thousands of students. So, it is like managing any large organization; quite a job. But I think what has always distinguished NYU and its finance department is that generally we get on very well with each other. There is a very strong esprit de corps, and since we, on the personal and the intellectual level, get on well with each other – it has helped my job a lot. So, in fact chairing the department is a pleasure because it is quite easy; there is a strong consensus of opinion on what we should be doing, where we should be going, who we should be hiring. So, I think that makes my life a lot easier than might be perceived by an outsider.

This may or may not be related but I've heard that you had a health problem. Did this change your outlook on life?

First I felt that, you know, you're working very hard and you think you've got another 30 or 40 years to go and suddenly something happens that draws your attention to how finite life is. Afterwards I tended to work even harder because I thought well, I want to maintain my reputation because I'm not sure how long my life span will be. Then I realized that this was not a sensible thing to do and within a few months I took a much more cautious view and now I just go along as much as I did before. I travel a bit less; I think I was traveling too much and trying to do too many things. In terms of work, I try to do the same sort of research and teaching that I was doing before. I've talked to many other people who have also had that same sort of reaction in the very short term.

There are things more important than reputation ...

Exactly, and also to some extent your academic reputation is established to whatever level it is by the time you reach a certain age. In fact what you do extra doesn't make too much difference anyway, so in some sense it's a bit of a futile thing.

This is an edited interview conducted by Jeffrey Nilsen.

Central Bankers' Courses

Central banks from over 90 countries sent managers and researchers to participate in the Study Center's year 2000 program of central bank courses. The final half of 2000 was a busy time for central bankers' courses at the Study Center. We welcomed as finance lecturer Professor Monique Ebell. In addition, Professor Jeffrey Nilsen was named as Program Director, Central Bankers' Courses. He takes the responsibility for maintaining the strong reputation of the Study Center set up by the previous Program Director, Center Director Philippe Bacchetta. Important planning and executive responsibilities remain in the capable hands of Program Administrator Mrs. Corinne Conti Ambühl. Indeed, most previous participants recognize her assistance and praise her perfect planning with a personal touch of the many details involved in their visit.

In June a new two-week course on **financial crises** was offered to research economists to examine the new issues created by the recent financial turmoil in emerging markets. Professor Philippe Bacchetta reviewed the latest theoretical developments in currency and banking crises, emphasizing the role of financial weaknesses both in the banking and the corporate sectors. In the second week, Professor Andrew Rose of the University of California at Berkeley reviewed empirical methods to analyze financial crises, in particular the construction of leading indicators. The participants could actively learn these methods through challenging empirical projects. Lectures were also given by Professor Sergio Rebelo of Northwestern University,

Professor Beatrice Weder of Basel University and Professor Jeffrey Nilsen. The success of the course was cemented by the interesting interactions of participants, who were mainly from emerging market countries that had suffered or were at risk from these crises. Several had already worked extensively on these topics and provided invaluable insights.

In August, the Study Center hosted for the second time a course in **Banking Regulation and Supervision**. As usual, the course started with a warm-up review of essential topics in monetary economics by Professor Jeffrey Nilsen. Professor Tony Saunders of New York University then discussed the various types of risk facing banks (and regulators) in the second week of the course. Professor Saunders importantly takes a view that allows a wide range of institutional settings, essential when participants come to Gerzensee from many diverse nations. More detail on Professor Saunders' views can be seen in an interesting interview with him and covering his course elsewhere in this newsletter. In the final week of the course, Professor Christopher James of the University of Florida discussed in depth issues in banking regulation.

The final course was one studying the interaction of **Financial Markets and Monetary Policy**. Professor Jeffrey Nilsen reviewed the basics of monetary policy and asset prices during the first week. Professor Monique Ebell reviewed finance theory to the participants in the second week. Finally, Professor Ludger Hentschel of the

University of Rochester introduced derivatives and regulatory topics during the third and final week.

Included as an integral part of the courses are short talks by Swiss National Bank experts on practical issues of interest to central bankers. Dr. Theo Scherer discussed the structure of financial markets in Switzerland, Dr. Thomas Stucki explained nuances in managing Swiss foreign exchange reserves, Mr. Erich Gmür discussed practical issues in implementing monetary policy. Our own Deputy-Director, Martin Wyss, introduced the important points about the Swiss economy. We appreciate the cooperation we get from other government agencies, as for example with Mr. Christopher McHale of the Swiss Banking Commission, who led a discussion on banking regulation, Mr. Kurt Buff of the Swiss Finance Department illustrated the Treasury's role in the economy. The most interesting talk though is often by Professor Bruno Gehrig, President of the Studienzentrums Foundation and Vice-President of the Executive Board of the Swiss National Bank, who led a candid discussion of the future of Swiss policy. In sum, frank and friendly knowledge-sharing is always greatly appreciated by the participants and helps to build a feeling that all central bankers, no matter where in the world they practice, face the same types of problems and are closely related.

This year we needed to call on many experts of the banking field to expand the horizon of expertise offered during the banking regulation course. We are very

thankful for the cooperation of individuals from organizations including the Swiss National Bank, Drs. Urs Birchler, Vincent Crettol and Bertrand Rime, and from the Swiss Banking Commission, Mr. Den Otter and Dr. Karl-Hubert Vogler. Professor Xavier Freixas of the Universitat Pompeu Fabra and Dr. Patricia Armendariz of the Bank for International Settlements contributed their learned perspectives. We also relied on contributors from private banks to provide our participants with a wide perspective useful to regulators. We thank from Credit Suisse, Dr. Christian Walter and from the Zürcher Kantonbank Mr. Stephan Lenz and Dr. Danilo Zanetti. We give special thanks to Dr. Jürg Blum of the Swiss National Bank for coordinating these talks.

The **schedule for 2001** has been finalized and we have invited central bank managers to review the latest economic research in courses on Financial Markets, Monetary Policy and Monetary Policy in Developing Countries, the latter featuring the considerable talents of Professor Sebastian Edwards of the University of California at Los Angeles. Our 2001 offerings are atypical in the sense that we are offering a greater array of courses to research economists than usual. For example, Professors Michael Rockinger and Thierry Foucault of HEC in Paris and Caspar de Vries of Erasmus University are cooperating to offer a course that is designed to teach the techniques of using derivatives to de-code the market's expectations of future asset values. The course will also discuss the application

of extreme value theory
The second course offered to research economists is the repeat of the highly successful course “**Understanding Financial Crises**” organized by Professors Philippe Bacchetta and Andrew Rose. Finally, the Bank for International Settlements, represented by Doctors Stefan Gerlach and Jeffery Amato, is cooperating with the Study Center in organizing a course on the current hot topic in central bank operating procedures “**Inflation Targeting in Emerging Market Economies**”.

We at the Study Center look forward to the challenges of presenting practical frontier research to our central bank colleagues from all over the world in 2001 and the more distant future. We have a winning design since many of our “graduates” have recommended a visit to Gerzensee to their colleagues. When the course is completed, the participants especially recognize the strength of the Gerzensee package in communicating ideas and in creating ties between individuals who share the study experience at Gerzensee.

Doctoral Courses

Courses in Law and Economics

As in previous years, the Study Center offered two one-week courses to doctoral students in both law and economics. An innovative course on Environmental Law was offered by Professor Richard Revesz of the New York University School of Law. The other course on Competition Law was taught by Professor Daniel Rubinfeld of the University of California at Berkeley. This course included some exciting and timely policy sessions, including the Microsoft case, thanks to the experience of Professor Rubinfeld who had just spent two years at the US Department of Justice. One of the afternoons was also animated by Professor Walter Stoffel of the University of Fribourg and by Markus Saurer.

Advanced Courses for Doctoral Students and Faculty Members

As usual our four one-week summer courses, taught by the best specialists in their

fields, were a big success. The four courses were:

Microeconomics of Banking
Prof. Xavier Freixas,
Universitat Pompeu Fabra

Theory of Dynamic Contracting
Prof. Patrick Bolton,
Princeton University

Semi- and non-parametric Econometrics
Prof. James L. Powell,
University of California at Berkeley

Dynamic Models of Asset Prices
Prof. Costas Azariadis,
University of California at Los Angeles

Swiss Program for Beginning Doctoral Students in Economics

In March, 10 students of the full 1999 program graduated and 20 students passed partial exams. A graduation ceremony with paper presentations and a course on ‘job search’ was organized on April 28. The teachers of the 2000 program were the following:

Econometrics

Prof. Mark W. Watson,
Princeton University
Prof. Bo E. Honoré,
Princeton University

Macroeconomics

Prof. Jordi Galí,
New York University
Prof. Robert G. King,
University of Virginia
Prof. Sergio T. Rebelo,
Northwestern University

Microeconomics

Prof. Matthias Dewatripont,
Université Libre de Bruxelles
Prof. Jean-Jacques Laffont,
Université des Sciences Sociales, Toulouse
Prof. Jean-Charles Rochet,
Université des Sciences Sociales, Toulouse
Prof. Klaus Schmidt,
University of Munich



Professors Daniel Rubinfeld and students.



Professor Jean-Jacques Laffont

00.14

Birchler, Urs W.:
"Are Banks Excessively
Monitored?"

00.13

Harris, Dellas and
Martin K. Hess:
"Financial Development and
Stock Market Performance"

00.12

Cuche, Nicolas A.:
"Alternative Indicator of
Monetary Policy for a Small
Open Economy"

00.11

Bacchetta, Philippe and
Eric van Wincoop:
"Trade Flows, Prices, and
The Exchange Rate Regime"

00.10

Cuche, Nicolas A.:
"Monetary Policy with
Forward-looking Rules:
The Swiss Case"

00.09

Maechler, Andréa M.:
"The Politics of Trade
Liberalization in the
Presence of FDI Incentives"

00.08

Blum, Jürg:
"The Limits of Market
Discipline in Reducing
Banks' Risk Taking"

00.07

Philippe Aghion,
Philippe Bacchetta and
Abhijit Banerjee:
"Currency Crises and
Monetary Policy in an
Economy with Credit
Constraints"

Staff News

Several changes in the academic staff have occurred over the summer. Monique Ebell, with a PhD from the University Pompeu Fabra in Barcelona, has started in September as a finance lecturer and holds a joint appointment with the University of Berne. Two of our teaching/research assistants have left the Study Center after finishing their doctoral thesis. Nicolas Cuche is now visiting the University of California at Berkeley for a year, while Martin Hess is assistant professor at ITAM in Mexico City. Three new assistants have started to work in the fall: Vangheli Lakiotis, Tim Frech and Marco Cavaliere.



Dr. Hans Meyer

At the end of the year 2000, Dr. Hans Meyer stepped down as Chairman of the Board of the Swiss National Bank after spending more than 35 years in this institution.

He headed the project establishing the Study Center Gerzensee and was from the inception a member of the foundation council. He presided over it between 1988-1996. His clear judgement

and ability to outline and implement strategies were of decisive importance for the development of the center. Dr. Hans Meyer not only encouraged the growth and activities of the center but has also directed with foresight and a humane touch. We express our special thanks to Dr. Hans Meyer for his untiring efforts and wish him all the best for his future.

Cultural Calendar 2001

Make a note to join us for the following events.
CHF 10.- admittance, all performances begin at 8 pm.
For reservations, please call 031 780 3131.

February 14
Oberländer Kammerbühne
(Cabaret)

March 27
Mixed Pickles (Big Band)

May 29
**Nico Brina & Thomas
Fahrer** (Boogie Woogie, Blues
& Rock'n'Roll)

June 29
Tempo Giusto
(Classical music – open air concert
at castle)

October 16
The Steamboat Rats (Jazz)

December 4
Edi & Butsch
(Mimes and Clowns)

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and Indicators: Empirical
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