



# Controlling Global Capital: Financial Liberalization, Capital Controls and Macroeconomic Performance

## A CEPR/CREI Conference

Barcelona, 14/15 October 2002

### Programme

#### Monday 14 October

08.30 – 09.00

Coffee

09.00 – 09.10

Inaugural Session:

**Andreu Mas-Colell** (Conseller del Departament d'Universitats, Recerca i Societat de la Informació de la Generalitat de Catalunya)

#### Capital Flows and Economic Instability

Chair:

Assaf Razin (Cornell University, Tel Aviv University and CEPR)

09.10 – 09.50

#### **Bubbles and Capital Flows**

Jaume Ventura (CREI, Universitat Pompeu Fabra, Barcelona, Massachusetts Institute of Technology and CEPR)

Discussant:

Hélène Rey (Princeton University and CEPR)

09.50 – 10.40

#### **Financial Development and the Instability of Open Economies**

Philippe Aghion (Harvard University, University College London and CEPR)

\*Philippe Bacchetta (Studienzentrum Gerzensee, Université de Lausanne and CEPR)

Abhijit Banerjee (Massachusetts Institute of Technology (MIT))

Discussant:

Efraim Sadka (Tel-Aviv University)



10.40 – 11.30                    **The Choice of Exchange Rate Regimes and Speculative Attacks**  
\*Alex Cukierman (Tel-Aviv University, CentER, Tilburg University and CEPR)  
Itay Goldstein (Duke University)  
Yossi Spiegel (Tel-Aviv University)

Discussant:                    Roberto Rigobon (Massachusetts Institute of Technology)

11.30 – 12.00                    Coffee

### **Capital Controls and Liberalization in Latin America**

Chair:                            José de Gregorio (Banco Central de Chile and Universidad de Chile)

12.00 – 12.50                    **Capital Controls in Contagion in Latin America**  
Sebastian Edwards (University of California, Los Angeles)  
\*Roberto Rigobon (Massachusetts Institute of Technology)

Discussant:                    Simon Johnson (Massachusetts Institute of Technology (MIT) and SITE, Stockholm School of Economics)

12.50 – 13.40                    **Microeconomic Effects of Capital Controls: The Chilean Experience During the 1990's**  
Francisco Gallego (Massachusetts Institute of Technology (MIT))  
\*Leonardo Hernandez (Banco Central de Chile)

Discussant:                    Carlos Arteta (Federal Reserve Board)

13.40 – 14.30                    **Financial Globalization and Emerging Markets: With or Without Crash?**  
Philippe Martin (Federal Reserve Bank of New York and CEPR)  
\*Hélène Rey (Princeton University and CEPR)

Discussant:                    Laura Bottazi (IGIER, Università Bocconi, Milano and CEPR)

14.30 – 16.00                    Lunch



### **Backlashes Against Free Capital Flows: Historical Examples**

- Chair: Barry Eichengreen (University of California, Berkeley and CEPR)
- 16.00 – 17.00 **The End of Global Capital Flows During the Great Depression**  
Harold James (Princeton University)
- Discussant: Albrecht Ritschl (Humboldt Universität and CEPR)
- 17.00 – 18.00 **The Great Reversals: The Politics of Financial Development in the 20<sup>th</sup> Century**  
Raghuram Rajan (University of Chicago)  
\*Luigi Zingales (University of Chicago and CEPR)
- Discussant: José De Gregorio (Banco Central de Chile and Universidad de Chile)
- 20.30 – 23.00 Dinner

### **Tuesday 15 October**

#### **Postwar Experiences with Cross-Border Capital Flows**

- Chair: Efraim Sadka (Tel Aviv University)
- 09.00 – 10.00 **Financial Restraints and Liberalization in Postwar Europe**  
Charles Wyplosz (Graduate Institute of International Studies, Geneva and CEPR)
- Discussant: Giovanni Ganelli (Trinity College Dublin)
- 10.00 – 11.00 **Convertability, Currency Controls and the Cost of Capital in Western Europe, 1950-1999**  
Hans-Joachim Voth (CREI, Universitat Pompeu Fabra, Centre for History and Economics, King's College, Cambridge and CEPR)
- Discussant: Luigi Zingales (University of Chicago and CEPR)
- 11.00 – 11.30 Coffee

#### **The Political Economy of Free Capital Flows**

- Chair: Philippe Bacchetta (Studienzentrum Gerzensee, Université de Lausanne and CEPR)



11.30 – 12.45

**Political and International Financial Liberalization**

Dennis Quinn (Georgetown University)

Discussant:

Ramon Marimon (Universitat Pompeu Fabra, European University Institute, Ministerio de Ciencia y Tecnología and CEPR)

12.45 – 14.00

**Cronyism and Capital Controls: Evidence from Malaysia**

\*Simon Johnson (Massachusetts Institute of Technology (MIT) and SITE, Stockholm School of Economics)

Todd Milton (Brigham Young University)

Discussant:

Richard Portes (CEPR and London Business School)

14.00 – 14.30

Roundtable Discussion

14.30 – 16.00

Lunch

\* Denotes presenter

Organizers:

Barry Eichengreen (University of California, Berkeley and CEPR)

Hans-Joachim Voth (CREI, Universitat Pompeu Fabra, Centre for History and Economics, King's College, Cambridge and CEPR)

This conference is supported by a CEPR research network on 'The Analysis of International Capital Markets: Understanding Europe's Role in the Global Economy', funded by the European Commission under the Research Training Network Programme (Contract No: HPRN-CT-1999-00067).