

Globalization, Capital Markets Crises and Economic Reform

December 4-5, 1998, Duke University

Friday 12/4

- 1:15 - 1:30 Welcoming Remarks: William Chafe (Dean of Arts & Sciences)
Session I: Global Capital Markets Crises
Chairman: Stephen Wallenstein (Executive Director, Duke Global Capital Markets Center)
- 1:30 - 2:15 "Betting Against The State: Socially Costly Financial Engineering"
Guillermo A. Calvo, (University of Maryland)
Discussant: David Bowman (Board of Governors of the Federal Reserve System)
- 2:15 - 3:00 "Wealth Distribution, Moral Hazard and Currency Crises: A Model of the Asian Crisis"
Nouriel Roubini (Stern School of Business, New York University)
Discussant: Michael Kumhoff (Stanford University).

Roundtable I:

- 3:00 - 4:15 Linkages between Economic Crises and Economic Reform
Mario Blejer (IMF), Javier Guzman (Alternate Executive Director, IMF), Timothy J. Kehoe (University of Minnesota), Stephen Kamin (Board of Governors of the Federal Reserve System)
Moderator: Robert Keohane (Duke University)
- 4:15 - 4:30 Coffee

Session II: Macroeconomic Dynamics of Economic Reforms

Chairman: Fritz Mayer (Executive Director, Duke North American Studies Program)

- 4:30 - 5:15 "Real Exchange Rate Movements and Capital Flows into Spain, 1985-1994"
Timothy J. Kehoe (University of Minnesota) and Gonzalo Fernandez de Cordoba (University of Salamanca)
Discussant: Michelle Connolly (Duke University)
- 5:15 - 6:00 "On the Dynamics of Economic Reform"
Sergio Rebelo (Kellogg Graduate School of Management, Northwestern University)
Discussant: Pietro Peretto (Duke University)
- 6:00 - 6:45 "Rational Contagion and the Globalization of Securities Markets"
Enrique G. Mendoza (Duke University).
Discussant: Carmen Reinhart (University of Maryland).

Saturday 12/5

8:30 - 9:00 Continental Breakfast

Session III: Volatility of International Capital Flows

Chairman: Ed Tower (Duke University)

9:00 - 9:45 "Asset Bubbles, Domino Effects and Lifeboats: Elements of the East Asian Crisis"
Hali J. Edison, (Board of Governors of the Federal Reserve System)
Discussant: Gian Maria Milesi-Ferretti (International Monetary Fund)

9:45 - 10:30 "The Forward Risk Premium Puzzle: Different Tales from Developed and Emerging Economies"
Ravi Bansal (Fuqua School of Business, Duke University)
Discussant: Sergio Schmukler (World Bank)

10:30 - 10:45 Coffee

Roundtable II:

10:45 - 12:00 Dealing with Capital Markets Crises: Bail In or Bail Out?
Agustin Carstens (Banco de Mexico), Walter Molano (Swiss Bank), Nicolás Eyzaguirre (IMF Alternate Executive Director)
Moderator: Steven L. Schwarcz (Duke University, Faculty Director, Global Capital Markets Center)

12:00 - 1:30 Lunch (by invitation only)
Session IV: Empirical Evidence on the Volatility of Capital Flows
Chairman: George Tauchen (Duke University)

1:30 - 2:15 "On Crises, Contagion, and Confusion",
Carmen M. Reinhart, (University of Maryland)
Discussant: Patrick Conway (University of North Carolina),

2:15 - 3:00 "Structural Breaks in Emerging Market Capital Flows"
Campbell Harvey (Fuqua School of Business, Duke University)
Discussant: Linda Tesar (University of Michigan)

3:00 - 3:45 "Stock and Flow Information as Inputs to Limit Order Book Trading Activity"
Mark Coppejans (Duke University)
Discussant: Stephen Slezak (University of North Carolina)

3:45 - 4:00 Coffee
Session V: Financial Intermediation, Disintermediation and Collapse
Chairman: Paul Zipkin (Fuqua School of Business, Duke University)

4:00 - 4:45 "The Role of Public Debt in Balance-of-Payments Crises: Theory and Empirical Evidence"
Michael Kumhoff, (Stanford University)

Discussant: John Coleman (Fuqua School of Business, Duke University)

4:45 – 5:30

"Financial Fragility and the Exchange Rate Regime," Andres Velasco (New York University)

Discussant: Alejandro Werner (Banco de Mexico).