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 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 (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)

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 Bottazzi (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 20th Century**  
Raghuram Rajan (University of Chicago)  
*Luigi Zingales (University of Chicago and CEPR)*

**Discussant:** José De Gregorio (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)

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