

Conference Program

Day 1 – September 13, 2018

8.15-9.00 Coffee and pastries

9.00-9.20 Opening remarks **Madame Lagarde, IMF Managing Director**

9.20-10.20 Session 1 **Public Debt Through the Ages**

This introductory chapter will focus on the first era of Globalization (1880-1913) and the Twentieth Century. It will cover the broad trends in the level and composition of debt, with case studies of major global events such as the world wars, the Great Depression and the Great Recession. A discussion of developing market debt crises, including the Latin American Debt Crisis and the HIPC Initiative, along with their resolution, will conclude the chapter.

Chapter authors Barry Eichengreen (Berkeley), Asmaa Adel El-Ganainy (IMF), Rui Pedro Esteves (Geneva), Kris Mitchener (Santa Clara)

Presenter Barry Eichengreen (Berkeley)

Discussants Marc Flandreau (Pennsylvania)
Michael Bordo (Rutgers)

10.20-11.20 Session 2 **The Current Landscape**

Comparisons of public debt across countries and across time are hindered by the significant heterogeneity in definition and coverage. Public debt in France in 1830 bears very little resemblance to that of Brazil in 2016. This chapter will consider what constitutes a debt contract and onion-like layers of the sovereign entity. The chapter will use this taxonomy to show the varied landscape of debt today, in particular - who are the major creditors and debtors; what is the legal basis of the debt issued, what are the main financing instruments; and what are the terms of the bond.

Chapter authors Serkan Arslanalp (IMF), Wolfgang Bergthaler (IMF),
Phil Stokoe (IMF), Alexander Tieman (IMF)

Presenter Phil Stokoe

Discussants Olivier Jeanne (Johns Hopkins)
Rafael Molina (Newstate Partners)

11.20-11.40 Coffee

11.40-12.40 Session 3**The Motive to Borrow**

Debt levels around the world are much higher than can be explained by simply the motive to smooth incomes and consumption through the business cycle. This chapter will explore why debt can rise to levels that make many uncomfortable; and in the process, better understand the extent to which these (other) motives to borrow serve the welfare of a country's citizens. It will look at the role of debt to generate future growth (infrastructure, education) and to destroy wealth, in the form of war. It will look at myopic decision makers and the risk of over-borrowing.

Chapter authors	Antonio Fatas (INSEAD), Rex Ghosh (IMF), Ugo Panizza (Geneva), Andrea Presbitero (IMF)
Presenter	Ugo Panizza (Geneva)
Discussants	Richard Hughes (HM Treasury) Paolo Mauro (IMF)

12.40-14.00 Lunch**Conference lunch** (by invitation only)**14.00-15.00 Session 4****Debt Sustainability**

Why can Japan sustain debts above 200 percent of GDP, while Ukraine defaulted on its debt when it was 30 percent of GDP? This chapter will investigate what factors increase the likelihood of a country defaulting; equivalently, how to assess the sustainability of sovereign debt. It will provide a comprehensive overview of the knowns and unknowns of debt sustainability, including the range of tools available to understand vulnerabilities and inform what will always remain a difficult judgment call. These include the IMF's DSA framework, and market information and indicators (bond and CDS spreads and sovereign ratings). As the risk of default is not zero, the chapter will also review models of debt limits explaining why a government may find itself to be either unable or unwilling to face its obligations when debt exceeds certain levels. .

Chapter authors	Xavier Debrun (IMF), Jonathan Ostry (IMF), Tim Willems (IMF), Charles Wyplosz (Geneva)
Presenter	Tim Willems (IMF)
Discussants	Doug Elmendorf (Harvard) Elena Duggar (Moody's)

15.00-16.00 Session 5**Debt Management**

This chapter will explore the role of debt managers in reducing risks to debt sustainability. The chapter will begin with the primary objective of debt management, i.e. the minimization of cost of debt, subject to an acceptable level of risk; but then cover bigger picture motives, such as the allocation of risk between the public and private sector, especially in the context of an economy-wide shock. It will also discuss how the composition of sovereign debt can have important macroeconomic implications, such as via the monetary policy transmission mechanism. The chapter will detail the risks from maturity, currency and residency, including the 'original sin' problem faced by some countries.

Chapter authors	Thordur Jonasson (IMF), Michael Papaioannou, Mike Williams (independent consultant)
Presenter	Thordur Jonasson
Discussants	Jill Dauchy (Potomac Group) Michael Gapen (Barclays)

16.00-16.15 Coffee**Panel discussion: 16.15-17.30****Challenges Ahead**

Since the global financial crisis, sovereign debt ratios in advanced and emerging economies have grown to near record highs; while in low-income countries, debt levels have been gradually building since the debt relief of the early 2000s. As global monetary conditions tighten, the burden of debt will grow and rollover risks will increase. And with a more fragmented creditor base, timely and orderly restructurings may become harder to achieve. This panel discussion will explore these risks and consider which policies might enhance crisis prevention and strengthen crisis resolution. It will also consider the extent to which these objectives can be pursued by individual countries or whether multilateral action is required to improve the international architecture.

Chapter authors	Hugh Bredenkamp (IMF), Ricardo Hausmann (Harvard), Alex Pienkowski (IMF), Carmen Reinhart (Harvard)
Presenter	Hugh Bredenkamp (IMF)
Moderator	David Lipton, IMF First Deputy Managing Director
Panelists	Barry Eichengreen (Berkeley), Ricardo Hausmann (Harvard), Carmen Reinhart (Harvard), Ken Rogoff (Harvard)

19:00-21:30 Dinner**Conference Dinner** (by invitation only)

Day 2 – September 14, 2018

8.15-9.00 Coffee and pastries

9.00-10.00 Session 6

Reducing Debt, Short of Default

If debt is too high, what policies are available to governments to reduce it? This chapter will go through all options, short of default. It will begin by introducing the standard debt accumulation equation, noting the key relationships, such as the growth-interest rate differential; and inter-temporal dynamics. Once this is established, the more conventional strategies for reducing debt – promoting growth and fiscal consolidation – will be explored. The chapter will then move on to more unconventional policies, such as using the central bank's balance sheet and the role of financial repression. There will also, inevitably, need to be a discussion of how these various options come together in a strategy, learning from history, especially the post-WW2 debt consolidations.

Chapter authors	Tom Best (IMF), Oliver Bush (LSE), Luc Eyraud (IMF), Belen Sbrancia (IMF)
Presenter	Oliver Bush (LSE)
Discussants	Joseph Gagnon (Peterson) Margaret Jacobson (Indiana)

10.00-11.00 Session 7

Sovereign Default

This chapter will begin by conceptualizing sovereign default and debt distress and by untangling the various forms of default. It will briefly discuss the determinants of default, focusing on domestic, legal and external variables. Much of the chapter will then explore the various costs of sovereign default, and the factors that influence this. It will also look at ways to reduce the costs of default and distress as well as the weaknesses and distortions within the existing framework of crisis prevention and resolution. This includes the role of official sector lending policies, domestic politics, creditor identity and the character of the debt.

Chapter authors	Julianne Ams (IMF), Reza Baqir (IMF), Anna Gelpern (Georgetown), Christoph Trebesch (Kiel)
Presenter	Anna Gelpern (Georgetown)
Discussants	Lorenzo Giorgianni (Tudor Group) Graciela Kaminsky (George Washington)

11.00-11.20 Coffee

11.20-12.20 Session 8**The Restructuring Process**

This Chapter will discuss the process of restructuring a sovereign's debt once the decision has been made that this step is inevitable, and the various factors that come into play in determining the scope, strategy, and resolution of the restructuring.

Chapter authors	Lee Buchheit (Cleary Gottlieb), Chanda DeLong (IMF), Guillaume Chabert (Tresor), Jeromin Zettelmeyer (Peterson)
Presenter	Lee Buchheit (Cleary Gottlieb)
Discussants	Eric Lalo (Lazard) Elena Daly (EM Conseil)

12.20-12.30 Closing remarks