Crises: Yesterday and Today

Venue: HQ2, Conference Hall 1

Thursday, November 7, 2013

8:00–8:45 am  Registration and Continental Breakfast

8:45–9:15 am  Opening Remarks – David Lipton (First Deputy Managing Director, IMF)

9:15–10:35 am  Session 1: Capital Flows and Liquidity Provision

**Chair:** David Lipton (First Deputy Managing Director, IMF)

Unintended Consequences of LOLR Facilities: The Case of Illiquid Leverage
Viral V. Acharya (New York University’s Leonard N. Stern School of Business) and Bruce Tuckman (New York University’s Leonard N. Stern School of Business)

*Discussant: Ricardo Caballero (MIT)*

Dilemma not Trilemma? Capital Controls and Exchange Rates with Volatile Capital Flows
Emmanuel Farhi (Harvard University) and Iván Werning (MIT)

*Discussant: Guy Debelle (Reserve Bank of Australia)*

10:35–10:50 am  ***Coffee Break***

10:50–12:10 pm  Session 2: Lessons—The Case of Japan and Monetary Policy Independence

**Chair:** Masood Ahmed (IMF)

Will the U.S. and Europe Avoid a Lost Decade? Lessons from Japan’s Post Crisis Experience
Takeo Hoshi (Stanford University) and Anil Kashyap (University of Chicago Booth School of Business)

*Discussant: David Romer (University of California, Berkeley)*
Goal Dependence for Central Banks: Is the Malign View Correct?
Kenneth N. Kuttner (Williams College) and Adam S. Posen (Peterson Institute)
Discussant: Frederic Mishkin (Columbia Business School)

12:15–1:45 pm  ***Lunch***
(By invitation only, HQ2, Conference Hall 2)

Luncheon Remarks – Tribute to Stanley Fischer
Mohamed El-Erian (Pimco)

1:45–3:45 pm  Session 3: Lessons—Exchange Rate Regimes and Cost of Crisis

Chair: Kemal Dervis (The Brookings Institution)

Exchange Rate Management and Crisis Susceptibility: A Reassessment
Atish R. Ghosh (IMF), Jonathan D. Ostry (IMF), and Mahvash S. Qureshi (IMF)
Discussant: Jeffrey Frankel (Harvard University)

Aggregate Supply in the United States: Recent Developments and Implications for the Conduct of Monetary Policy
David Reifschneider (Federal Reserve Board), William L. Wascher (Federal Reserve Board), and David W. Wilcox (Federal Reserve Board)
Discussant: Gregory Mankiw (Harvard University)

Pegs in Latin America, Lessons for Europe?
Ariel Burstein (University of California, LA) and Iván Werning (MIT)
Discussant: Alberto Martin (IMF, CREI, UPF and Barcelona GSE)

3:45–4:00 pm  ***Coffee Break***

4:00–5:30 pm  Mundell-Fleming Lecture “Currency Regimes, Capital Flows, and Crises”
Paul Krugman (Princeton University)

Introduction by: Olivier Blanchard (Economic Counsellor and Director, Research Department, IMF)
Friday, November 8, 2013

8:30–9:15 am  Registration and Continental Breakfast

9:15–10:35 am  Session 4: Then and Now—Latin America

Chair: Alejandro M. Werner (IMF)

Why did Latin America and Developing Countries Perform Better in the Global Financial Crisis than in the Asian Crisis?
Roberto Alvarez (Universidad de Chile) and José De Gregorio (Universidad de Chile)
Discussant: Ilan Goldfajn (Itau Unibanco)

The Road to Redemption: Policy Response to Crises in Latin America
Carlos A. Vegh (Johns Hopkins University) and Guillermo Vuletin (The Brookings Institution)
Discussant: Vittorio Corbo (Centro de Estudios Publicos, Chile)

10:35–10:50 am  ***Coffee Break***

10:50–12:10 pm  Session 5: Then and Now—Policies and Resilience

Chair: George Akerlof (IMF)

The Federal Reserve’s Framework for Monetary Policy – Recent Changes and New Questions
William English (Federal Reserve Board), David López-Salido (Federal Reserve Board) and Robert Tetlow (Federal Reserve Board)
Discussant: Christina Romer (University of California, Berkeley)

Pick Your Poison: The Choices and Consequences of Policy Responses to Crises
Kristin Forbes (MIT Sloan School of Management) and Michael W. Klein (Tufts-Fletcher School)
Discussant: Jeffrey Sachs (Columbia University)

12:15–1:45 pm  ***Lunch***
(By invitation only, HQ2, Conference Hall 2)

Luncheon Remarks – Tribute to Stanley Fischer
Ratna Sahay (IMF) and Karnit Flug (Bank of Israel)
1:45–3:05 pm  **Session 6: Then and Now—East Asia**

**Chair:** Dan Citrin (IMF)

**Two Tales of Adjustment: East Asian Lessons for European Growth**
Anusha Chari (University of North Carolina at Chapel Hill) and Peter Blair Henry (New York University’s Leonard N. Stern School of Business)
Discussant: Morris Goldstein (Peterson Institute)

**Never Say Never: Commentary on a Policymaker’s Reflections**
Maurice Obstfeld (University of California, Berkeley)
Discussant: Carmen Reinhart (Harvard University)

3:05–3:30 pm  ***Coffee Break***

3:30–5:00 pm  **Economic Forum: Policy Responses to Crises**

**Moderator:** Olivier Blanchard, Economic Counsellor and Director, Research Department, IMF

**Panelists:**
1. Ben Bernanke
2. Stanley Fischer
3. Kenneth Rogoff
4. Lawrence H. Summers

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**Conference Organizing Committee:** M. Ayhan Kose (Conference Chair, IMF; Co-Editor, *IMF Economic Review*), Suman Basu, Mai Dao, Davide Furceri, and Rafael Portillo, (All IMF) and Pierre-Olivier Gourinchas (Editor of the *IMF Economic Review*; University of California, Berkeley).

**Conference Coordinator:** Tracey Lookadoo