

“Emerging Markets and Macroeconomic Volatility: Lessons from a Decade of Financial Debacles”

Joint Conference by the

Center for Pacific Basin Monetary and Economic Studies
Federal Reserve Bank of San Francisco

and the

Center for International Economics
University of Maryland

June 4-5, 2004

FINAL PROGRAM (6/2/2004)

Location: First Floor Conference Center
101 Market Street, San Francisco, CA

Friday, June 4

8:30 a.m. Continental Breakfast

8:50 a.m. Welcoming **Reuven Glick**, *Federal Reserve Bank of San Francisco*
Remarks:

9:00 a.m. **Session 1** **HOW DO TRADE AND FINANCIAL INTEGRATION AFFECT THE RELATIONSHIP
BETWEEN GROWTH AND VOLATILITY?**

Presenters: **Ayhan Kose**, **Marco E. Terrones**, and **Eswar Prasad**, *International
Monetary Fund*
Discussant: **Linda Tesar**, *University of Michigan*

10:00 a.m. Break

10:30 a.m. **Session 2** **MACROECONOMIC RISK AND BANKING CRISES IN EMERGING MARKET
COUNTRIES: BUSINESS FLUCTUATIONS WITH FINANCIAL CRASHES**

Presenters: **Pedro Marcelo Oviedo**, *Iowa State University*
Discussant: **Michele Cavallo**, *Federal Reserve Bank of San Francisco*

11:30 a.m. **Session 3** **ENDOGENOUS DOLLARIZATION, EXPECTATIONS, AND EQUILIBRIUM
MONETARY POLICY**

Presenters: **Andrés Velasco**, *Harvard University* and **Roberto Chang**, *Rutgers
University*
Discussant: **Maurice Obstfeld**, *University of California, Berkeley*

12:30 p.m. Lunch Market Street Dining Room, Fourth Floor

2:00 p.m. **Session 4** **EXCHANGE RATE OVERSHOOTING AND THE COSTS OF FLOATING**

Presenters: **Fabrizio Perri**, *New York University, Stern*, **Michele Cavallo**, *Federal
Reserve Bank of San Francisco*, **Kate Kisselev**, *Citigroup*, and **Nouriel
Roubini**, *New York University, Stern*
Discussant: **Cristina Arellano**, *Duke University*

- 3:00 p.m. **Session 5** **DOLLAR BLOC OR DOLLAR BLOCK: EXTERNAL CURRENCY PRICING AND THE EAST ASIAN CRISIS**
 Presenters: **Michael Devereux**, *University of British Columbia* and **David Cook**, *Hong Kong University of Science and Technology*
 Discussant: **Paul Bergin**, *University of California, Davis*
- 4:00 p.m. Break
- 4:15 p.m. **Session 6** **COUNTRY SPREADS AND EMERGING COUNTRIES: WHO DRIVES WHOM?**
 Presenters: **Martín Uribe**, *Duke University* and **Vivian Yue**, *University of Pennsylvania*
 Discussant: **Reuven Glick**, *Federal Reserve Bank of San Francisco*
- 5:30 p.m. Reception Market Street Dining Room, Fourth Floor
 6:30 p.m. Dinner Market Street Dining Room, Fourth Floor
 Introduction: **Enrique G. Mendoza**, *University of Maryland*
 Keynote Speaker: **Guillermo Calvo**, *IADB and University of Maryland*

Saturday, June 5

- 8:30 a.m. Continental Breakfast
- 9:00 a.m. **Session 7** **WHEN IN PERIL, RETRENCH: TESTING THE PORTFOLIO CHANNEL OF CONTAGION**
 Presenters: **Fernando Broner**, *University of Maryland*, **Gaston Gelos**, *International Monetary Fund*, and **Carmen Reinhart**, *University of Maryland*
 Discussant: **Paolo Pesenti**, *Federal Reserve Bank of New York*
- 10:00 a.m. Break
- 10:15 a.m. **Session 8** **PUTTING THE BRAKES ON SUDDEN STOPS: THE FINANCIAL FRICTIONS-MORAL HAZARD TRADEOFF OF ASSET PRICE GUARANTEES**
 Presenters: **Bora Durdu** and **Enrique G. Mendoza**, *University of Maryland*
 Discussant: **Urban Jermann**, *Wharton Business School*
- 11:15 a.m. **Session 9** **ROUNDTABLE DISCUSSION: THE POLICY RESPONSE TO FINANCIAL CRISES**
 Panelists: **Guillermo Calvo**, *IADB and University of Maryland*
 Michael P. Dooley, *University of California, Santa Cruz*
 Agustin Carstens, *International Monetary Fund*
- 12:30 noon Lunch Market Street Dining Room, Fourth Floor
- 2:00 p.m. **Session 10** **DEFAULTABLE DEBT, INTEREST RATES AND THE CURRENT ACCOUNT**
 Presenters: **Gita Gopinath** and **Mark Aguiar**, *Chicago Graduate School of Business*
 Discussant: **Diego Valderrama**, *Federal Reserve Bank of San Francisco*
- 3:00 p.m. **Session 11** **PRIVATE CAPITAL FLOWS, CAPITAL CONTROLS, AND DEFAULT RISK**
 Presenters: **Mark Wright**, *Stanford University*
 Discussant: **Kenneth M. Kletzer**, *University of California, Santa Cruz*
- 4:00 p.m. Adjournment