

Original Conference Program

**International Financial Contagion: How it
Spreads and How it Can Be Stopped**

**Sponsored by World Bank, ADB, and IMF
(with initial funding from WIDER)**

February 3–4, 2000

**Auditorium (Red Level)
International Monetary Fund
Washington, D.C.**

February 3

1:00 - 2:00 *Registration*

2:00 - 2:15 Welcoming Remarks
Rudiger Dornbusch, Professor, MIT

Introductory Remarks
Stanley Fischer, Deputy Managing Director, IMF

2:15 - 3:30 *Session I: Theories of Contagion*
Chair: Guillermo Perry, World Bank
Rapporteur: Holger Wolf, Georgetown University

(i) *Measuring Contagion: Conceptual and Empirical
Issues*
Kristin Forbes and **Roberto Rigobon**, MIT

(ii) *The Channels for Financial Contagion*
Matt Pritsker, Federal Reserve Board

(iii) *International Contagion: Implications for Policy*
Roberto Chang, Federal Reserve Bank of Atlanta and **Giovanni Majnoni**, World Bank

(iv) *Portfolio Diversification, Leverage, and Financial Contagion*
Garry Schinasi, IMF and **Todd Smith**, University of Alberta

3:30 – 4:00 *Coffee Break*

4:00 - 5:30 **Session II: Measuring Contagion**
Chair: Yung Chul Park, Korea University
Rapporteur: Roberto Rigobon, MIT

(i) *Crisis Transmission: Evidence from the Debt, Tequila and Asian Flu Crises*
José De Gregorio, University of Chile and **Rodrigo Valdés**, Central Bank of Chile

(ii) *The Center and the Periphery: Tales of Financial Turmoil*
Graciela Kaminsky, GWU and **Carmen Reinhart**, University of Maryland

(iii) *Flight to Quality*
Barry Eichengreen and **Galina Hale**, UC Berkeley and **Ashoka Mody**, World Bank

February 4

9:00- 10:30 **Session III: The Role of Investors in Contagion**
Chair: Jung Soo Lee, ADB
Rapporteurs: Giovanni dell’Ariccia, IMF
Andrew Karolyi, Ohio State University

(i) *Financial Contagion: Spillover Effects Through Banking Centers*
Caroline Van Rijckeghem, IMF and **Beatrice Weder**, University of Basel

- (ii) *Lending in Emerging Markets: Foreign and Domestic Banks Compared*
Linda Goldberg, Gerard Dages and Daniel Kinney,
Federal Reserve Bank of New York
- (iii) *Economic Fragility, Liquidity and Risk: The Behavior of Mutual Funds during Crises, and Managers, Investors, and Crises: Mutual Fund Strategies in Emerging Markets*
Graciela Kaminsky, GWU, **Richard Lyons**, UC Berkeley, and **Sergio Schmukler**, World Bank
- (iv) *The Portfolio Flows of International Investors I*
Kenneth Froot, Harvard University, **Paul O'Connell**, FDO Partners, and **Mark Seasholes**, Harvard University

10:30 - 11:00 *Coffee Break*

11:00 - 12:30 *Session IV: Case Studies of Contagion: I*

Chair: Michael Mussa, IMF

Rapporteurs: Enrico Perotti, University of Amsterdam
Sole Martinez Peria, World Bank

- (i) *Looking for Contagion: Evidence from the 1992 ERM Crisis*
Carlo Favero and **Francesco Giavazzi**, Bocconi University
- (ii) *Financial Markets Spillovers in Transition Economies*
Gaston Gelos and **Ratna Sahay**, IMF
- (iii) *The Russian Default and the Contagion to Brazil*
Taimur Baig, IMF and **Ilan Goldfajn**, Universidade Catolica
- (iv) *Contagion of International Financial Crises: The Case of Mexico*
Santiago Bzdresch and **Alejandro Werner**, Banco de Mexico

12:30 - 2:00 *Lunch Break*

2:00 - 3:30 *Session V: Case Studies of Contagion: II*

Chair: Gerard Caprio, World Bank.

Rapporteurs: Peter Montiel, IMF and Williams College
Pradumna B. Rana, ADB

(i) *The International Transmission of Financial Crises before World War II: Was there Contagion?*

Michael D. Bordo and **Antu P. Murshid**, Rutgers University

(ii) *Financial Contagion in the East Asian Crisis—with Special Reference to the Republic of Korea*

Yung Chul Park, Korea University and **Chi-Young Song**, Kookmin University

(iii) *Thai Meltdown and Transmission of Recession within ASEAN4 and NIE4*

Tilak Abeysinghe, National University of Singapore

3:30 - 4:00 *Coffee Break*

4:00 – 5:00 *Session VI: Roundtable on International Financial Reform*

Chair: Stefan Ingves, IMF

Panel Participants:

- **Rudiger Dornbusch**, MIT
- **Morris Goldstein**, Institute for International Economics
- **Yung Chul Park**, Korea University
- **Philip Turner**, BIS

Background paper:

International Financial Reform: Some Issues
Philip Turner and **John Hawkins**, BIS

5:00 - 5:30 *Session VII: Wrap up*

Stijn Claessens, World Bank

Yung Chul Park, Korea University

Rudiger Dornbusch, MIT