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 Goldsfajn, Universidade Catolica

(iv)  

Contagion of International Financial Crises: The Case of Mexico  
Santiago Bazdresch 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