

Institute for
New Economic Thinking



THOUGHT LEADERS EVENT

**Fractures in Globalisation &
Implications for Emerging Economies
at the 18th IEA World Conference**

By Invitation

Camino Real Hotel Santa Fe
Guillermo González Camarena 300, Santa Fé, Mexico City
June 19, 2017
11:30 – 18:30



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June 19, 2017

WELCOME

Welcome to our Thought Leaders Event!

We are gathering in Mexico City for the 18th World Congress of the International Economic Association (IEA) at a time when recent political events are challenging the international institutions that govern globalization and facilitate economic openness and collaboration. No place is more exposed to these developments than Mexico, which has opened up its economy and has pursued important reforms in the past decades.

At the same time, emerging economies across the world have been struggling to deliver sustained improvements in institutions and the rule of law, and to change their growth model so as to successfully transition from middle income to high income status. The current spread of populism - coming from both the right and the left - are threatening to undermine economic openness globally and the growth models adopted by these countries. Emerging market economies, and Mexico in particular, have to reflect on what they can learn from their collective experience to date and how to respond to the new challenges they face.

This joint event by the Institute for New Economic Thinking (INET), the Institute of Global Affairs (IGA) at the London School of Economics and Political Science (LSE) and its regional constituent, the Latin America and Caribbean Centre (LACC), El Centro de Investigación y Docencia Económicas (CIDE), and IEA aims to stimulate new economic thinking drawing on research-based evidence from across emerging and advanced economies. We look forward to hearing your views and ideas, stimulated by kick-off presentations from lead academics, policy makers and private sector participants from Mexico, Latin America and around the world.

Robert Johnson, *President*
Institute for New Economic Thinking (INET)

Erik Berglof, *Director*
Institute of Global Affairs (IGA), LSE

Fausto Hernández,
Economics Faculty, CIDE

Gareth Jones, *Director*
Latin American and Caribbean Centre (LACC), LSE

Tim Besley, *President*,
International Economic Association (IEA) and LSE

AGENDA

- 10:15 – 11:30 IEA Plenary: Joseph Stiglitz, Columbia University
- 11:30 – 11:45 Thought Leaders registration and coffee
- 11:45 – 13:15 **Thought Leaders Panel 1: Rethinking Global Finance – Emerging Economy Perspectives**
Alicia Bárcena, CEPAL
Mario Blejer, LSE and Banco Hipotecario
Anne Krueger, Johns Hopkins University, SAIS
Guillermo Ortiz, BTG Pactual
Andres Velasco, Columbia University
- Moderator: Juan Pardinas, IMCO*
- 13:15 – 14:30 IEA Lunch: Dominic Barton, McKinsey and Larry Fink, BlackRock
- 14:30 – 16:00 **Thought Leaders Panel 2: Populism – on the Left and on the Right**
Kaushik Basu, Cornell University
Erik Berglof, LSE and INET
Tim Besley, LSE
Enrique Cardenas, Centro de Estudios Espinosa Yglesias
Robert Johnson, INET
- Moderator: Juan Pardinas, IMCO*
- 16:00 – 16:30 Coffee Break
- 16:30 – 18:00 **Thought Leaders Panel 3: Catching Up Sustainably: Avoiding the Middle Income Trap**
Monica Aspe, OECD
Eva Arceo, CIDE
Bai Chong-En, Tsinghua University
Gareth Jones, LSE
Jorge Suárez Vélez, SP Family Office and ITAM
- Moderator: Erik Berglof, LSE*
- 18:00 – 18:30 **Launch of INET Global Transformation Commission**
Robert Johnson, INET
Joseph Stiglitz, Columbia University
Erik Berglof, LSE and INET

INSTITUTE FOR NEW ECONOMIC THINKING (INET)

The Institute for New Economic Thinking is dedicated to the rigorous pursuit of innovative economic theories and methods that address society's most pressing concerns. Founded in 2009, we are a nonpartisan, non-profit organization supporting relevant, pioneering work in the following issue areas:

- The relationship between finance and the broader economy
- Inequality and distribution
- The economics of innovation
- Environment and resource sustainability

We are building a global community with thousands of new economic thinkers through our grantees and research networks, partnerships with leading universities and institutions, high-profile events, and growing student movements. Interactive education tools are provided at no charge to audiences worldwide. Our work is grounded in history and is multidisciplinary by nature. We accept that complexity and uncertainty are inherent in economic and financial systems, and we question theories based upon the flawed assumption that humans always behave rationally and predictably. Traditional economics is failing us. Our goal is to offer hopeful solutions to the key challenges of the 21st century.

Changing the Conversation

Economists and finance professionals still promote free market fundamentalism, shrinking from drawing even obvious conclusions about the dangers of unfettered markets. Fiscal austerity and deficit reduction continue to be watchwords of both policymakers and theorists, even as global inequality increases exponentially and unemployment equals or exceeds levels of the Great Depression in many countries. Politics chokes reforms that could bring growth and relief to millions, while the many challenges of sustainable development and environmentally friendly innovation are brushed aside. Neoclassical economics fails to address these challenges, but the resistance to change is substantial – both inside the discipline and in the world at large.

“Society is defined by a simple morality: we care about our fellow citizens, we act on that care and build trust, and we do our best not just for ourselves, our families, and our friends and neighbors, but for all of us” - Robert Johnson, President

LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

INSTITUTE OF GLOBAL AFFAIRS (IGA)

The LSE Institute of Global Affairs (IGA) has been building a vibrant intellectual environment for original, rigorous and significant thinking and broader impact in London across disciplines and geographic regions. Employing multidisciplinary approaches and encouraging evidence-based policy making, it aspires to promote deeper understanding and peer-to-peer transfer of knowledge across emerging and developing economies and between emerging and advanced economies. The IGA offers a 'safe space' that is open, fair and transparent and where students, government, private sector and civil society from all around the world can meet to address the challenges of the 21st century.

IGA engages ten LSE departments and currently has eight constituent centres which includes LSE IDEAS, the world's third-ranked university-based think tank, the Centre for Women, Peace and Security as well as six regional centres. The regional centres are platforms through which LSE can mobilize its expertise across disciplines in certain geographic areas. While the individual centres must have their own agendas and priorities depending on the challenges in the individual regions, the IGA facilitates and encourages them, as well as the wider LSE community of faculty and students, to engage on common research.

LATIN AMERICA AND CARIBBEAN CENTRE (LACC)

The Latin American and Caribbean Centre (LACC) is a focal point for LSE's research and public engagement with Latin America and the Caribbean. The Centre supports the research of faculty from nearly every department across the School whose research is principally focussed on or relevant to the region. Research expertise covers themes on which Latin America and the Caribbean has been at the forefront of the social sciences and humanities such as democratisation, citizenship and human rights, decentralisation and governance, violence, inequality and inclusionary initiatives for women, indigenous groups and youth. A key aim of the Centre is to raise public awareness, including in Latin America and Caribbean itself, of LSE research through knowledge-exchange. The Centre assists faculty to promote and disseminate research findings with international bodies, governments, business groups, civil society organisations, think tanks, media and the general public, enhancing the impact of the LSE's multi- and inter-disciplinary expertise.

CENTRO DE INVESTIGACION Y DOCENCIA ECONOMICAS (CIDE)

The Centro de Investigación y Docencia Económicas (CIDE) is a Mexican centre of research and higher education, specialized in the fields of social sciences, with an international-grade level of excellence.

CIDE forms part of the system of public research centres of the National Council of Science and Technology (CONACYT). For more than three decades, CIDE has consolidated its place as an obligatory reference in the theoretical and applied debate of the main topics of the public agenda and it functions today as a generator of fundamental knowledge for decision makers in the public, private and social sectors.

CIDE has six academic divisions: Economics, Public Administration, International Studies, Political Studies, Legal Studies, and History. The centre's organizational structure reflects its pluralistic roots and its orientation towards promoting leadership and innovation. This flexibility allows faculty and alumni to pursue both individual interests and institutional priorities related to CIDE's three core functions: teaching, research, and outreach to the public and decision makers.

INTERNATIONAL ECONOMIC ASSOCIATION (IEA)

The International Economic Association (IEA) is holding its Eighteenth World Congress in Santa Fe, Mexico City between Monday 19 and Friday 23 June 2017. The congress is jointly organized with the Centro de Investigación y Docencia Económicas, CIDE, Mexico. The theme of the congress is Globalization, Growth and Sustainability.

The IEA was founded in 1950 as a Non-Governmental Organization, at the instigation of the Social Sciences Department of UNESCO. It has since its creation maintained information and consultative relations with UNESCO and is since 1973 a federated member of the International Social Science Council. Its aim from the beginning has been to promote personal contacts and mutual understanding among economists in different parts of the world through the organization of scientific meetings, through common research programs and by means of publications of an international character on problems of current importance.

The world congress is a global event, it is the sole world meeting embracing all fields of economics, including all areas and all approaches, from theory to empirics. Because of its broadness, it attracts not only scholars but also distinguished economists from non-academic institutions such as central banks and other public institutions from a very wide range of countries, permitting a rich exchange of views.

SPEAKERS (in order of appearance)

Joseph Stiglitz is an American economist and a professor at Columbia University. He is also the co-chair of the High-Level Expert Group on the Measurement of Economic Performance and Social Progress at the OECD, and the Chief Economist of the Roosevelt Institute. A recipient of the Nobel Memorial Prize in Economic Sciences (2001) and the John Bates Clark Medal (1979), he is a former senior vice president and Chief Economist of the World Bank and a former member and chairman of the (US president's) Council of Economic



Advisers. In 2000, Professor Stiglitz founded the Initiative for Policy Dialogue, a think tank on international development based at Columbia University. He has been a member of the Columbia faculty since 2001 and received that university's highest academic rank (university professor) in 2003. Based on academic citations, Stiglitz is the 4th most influential economist in the world today, and in 2011 he was named by *Time* magazine as one of the 100 most influential people in the world. Known for his pioneering work on asymmetric information, Stiglitz's work focuses on income distribution, asset risk management, corporate governance, and international trade. He is the author of numerous books, and several bestsellers. His most recent titles are *The Euro: How a Common Currency Threatens the Future of Europe*; *Rewriting the Rules of the American Economy: An Agenda for Growth and Shared Prosperity*; and *The Great Divide: Unequal Societies and What We Can Do About Them*.

Alicia Barcena is a Mexican biologist who currently serves as the United Nations Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC). Barcena was previously the Under-Secretary-General for Management at United Nations Headquarters in New York, Chef de Cabinet and Deputy Chef de Cabinet to the Secretary-General Kofi Annan.



She is also a former undersecretary of the environment in the federal cabinet and a former director of Mexico's National Institute of Fisheries. She was Deputy Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC) earlier in her career. Within ECLAC, she also served as the Chief of the Environment and Human Settlements Division, where she focused on public policies for sustainable development with particular reference to the linkages between environment, economy and social issues.

Mario Blejer is a Visiting Professor in the Institute of Global Affairs at the London School of Economics, Deputy Chairman of Banco Hipotecario, one of Argentina's largest commercial banks and Board Director, IRSA, Argentina's largest real estate company. Previously Professor Blejer has held the positions of Governor of the Central bank of Argentina, Senior Adviser to the Governor of the Bank of England and Director of its Centre for Central Banking Studies, and held senior positions at the International Monetary Fund and the World Bank. Professor Blejer held the Walter Rathenau Chair in European Economics at the Hebrew University of Jerusalem and was Director of the Helmut Kohl Institute. He also taught at NYU, San Andrés University and Boston University, among others. Professor Blejer has published large number of books and articles in the areas of monetary policy, financial stability, fiscal policy and performance.



Anne Krueger is an American economist. She was the World Bank Chief Economist from 1982 to 1986, and the first deputy managing director of the International Monetary Fund (IMF) from 2001 to 2006. She is currently Senior Research Professor of International Economics at the School for Advanced International Studies, Johns Hopkins University and also a Senior Fellow of the Stanford Center for International Development (of which she was the founding Director) and the Herald L. and Caroline Ritch Emeritus Professor of Sciences and Humanities in the Economics Department at Stanford University. Krueger was First Deputy Managing Director of the International Monetary Fund from 2001 to 2006. Prior to that, she had taught at Stanford and Duke Universities. From 1982 to 1986, she was Vice President, Economics and Research at the World Bank. She has published extensively on economic development, international trade and finance and economic policy reform. In addition to her writings on these topics, she has written a number of books and articles on India, South Korea, and Turkey within her areas of expertise.



Guillermo Ortiz is Chairman of BTG Pactual Latin America ex-Brazil. He was Chairman of the Board of Grupo Financiero Banorte from March 2010 to December 2014. He was Governor of Banco de Mexico from January 1998 to December 2009. From December 1994 to December 1997, Dr. Ortiz served as Secretary of Finance and Public Credit in the Mexican Federal Government.



He served on the Board of Governors of the International Monetary Fund, the World Bank and the Inter-American Development Bank. Dr. Ortiz is Chairman of the Pe Jacobsson Foundation, a member of the Group of Thirty, of the Advisory Board of the Center for Financial Stability, of the Advisory Board of the Globalization and Monetary Policy Institute of the Federal Reserve Bank of Dallas and a board member of the China's International Finance Forum. He founded GO & Asociados (an economic advisory and consulting firm created in 2009) and is a member of the Quality of Life Advisory board of the Government of Mexico City.

Andrés Velasco is Professor of Professional Practice in International Development at the School of International and Public Affairs, Columbia University. He is a Research Associate at the National Bureau of Economic Research in Cambridge, Massachusetts, and a Research Fellow at Plural Chile, a think tank in Santiago, Chile. He is also Senior Academic Advisor to the Blavatnik School of Government at Oxford University.



Velasco was a presidential candidate in Chile in 2012-13. He also was the Minister of Finance of Chile between March 2006 and March 2010. In 2015-16 he co-chaired (with Larry Summers and Montek Ahluwalia) the Global Panel on the Future of the Multilateral Lending Institutions. Velasco is a founder of SCL Partners, an economics and finance advisory firm based in Santiago, Chile. He was president of the Latin American and Caribbean Economic Association (LACEA) from 2005 to 2007. In February 2006 he received the Award for Excellence in Research from the Inter-American Development Bank.

Kaushik Basu is an Indian economist and academic who was Senior Vice-President and Chief Economist of the World Bank. He is the C. Marks Professor of International Studies and Professor of Economics at Cornell University. Prior to that, Professor Basu was the Chairman of the Department of Economics and director, Center for Analytic Economics at Cornell University. Until July 2012, during the United Progressive Alliance's second term, he served as the Chief Economic Adviser to the Government of India. Professor Basu's research interest spans development economics, welfare economics, game theory and industrial organization. As a policymaker, he was engaged in macro fiscal policymaking, multilateral policy coordination and development policy work in several continents. Mr. Basu is a Fellow of the Econometric Society and received the title Padma Bhushan which is one of the highest civilian awards given by the President of India. Kaushik Basu is the President of the International Economic Association (IEA).



Erik Berglof is the inaugural Director of the Institute of Global Affairs (IGA) at the London School of Economics and Political Science (LSE). The IGA, its Global Policy Lab and eight constituent centres bring together LSE faculty and students from across departments to design research-based and locally rooted solutions to global challenges. Prior to LSE, Professor Berglof was the Chief Economist and Special Adviser to the President of the European Bank for Reconstruction and Development (EBRD). Previously, Berglof



was Director of the Stockholm Institute of Transition Economics (SITE) and Professor at the Stockholm School of Economics. He was Assistant Professor at Universite Libre de Bruxelles and has held visiting positions at Harvard, Stanford and Massachusetts Institute of Technology (MIT). He also served as Special Adviser to the Prime Minister of Sweden. Currently, he is also non-resident Senior Fellow at the Brookings Institution in Washington, D.C., Treasurer of the International Economic Association, Member of the World Economic Forum Global Future Council on the Future of Financial and Monetary Systems, Board Member and Research Fellow of the European Corporate Governance Institute in Brussels, and Board Member of the New Economic School in Moscow. In 2013 he was awarded the Leontief Medal for his contributions to economic reforms.

Tim Besley, is School Professor of Economics and Political Science, W. Arthur Lewis Professor of Development Economics at the London School of Economics and Political Science (LSE) and a Fellow of All Souls College, Oxford. From 2014 to 2017, he is serving as the president of the International Economic Association and will serve as President of the Econometric Society in 2018. In 2005, he won the Yrjö Jahnsson Award for European economics and was awarded the 2010 John von Neumann Award by the Rajk László College for Advanced Studies at Corvinus University of Budapest.



Professor Besley has served on the Bank of England's Monetary Policy Committee from September 2006 to August 2009 and since 2015 has been is a member of the UK National Infrastructure Commission. He is a Fellow of the British Academy, and a Foreign Honorary Member of the American Economic Association and the American Academy of Arts and Sciences. He is also the Gluskin-Granovsky Fellow of the Institutions, Organizations and Growth Program of the Canadian Institute for Advanced Research. His research interests are focused on aspects of economic policy formation in developed and emerging market economies and he is one of the leading economists involved in restoring the study of political economy to prominence in mainstream economics.

Enrique Cardenas is director of the Centro de Estudios Espinosa Yglesias, A.C (CEEY) since 2005. He is a Professor of Economic History in Mexico at the Instituto Tecnológico Autónomo de México (ITAM) and is a member of the Governing Board of El Colegio de México. He was Professor of Economic History for 20 years at the University of the Americas-Puebla (UDLA), from which he was its rector from 1985 to 2001. As rector of the UDLA he promoted the areas of sciences and humanities, research, the residential school system and the programs of Student financial aid, among others. He has published articles and books in Mexico and abroad and was appointed National Researcher Level III since 1996. Cardenas received the Banamex National Economy prize.



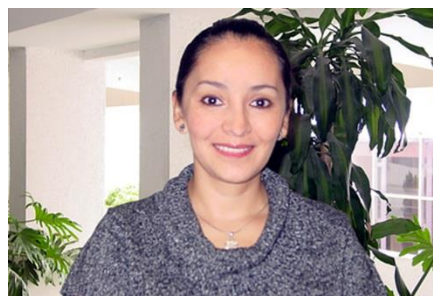
Rob Johnson is President of the Institute for New Economic Thinking and a Senior Fellow and Director of the Global Finance Project for the Franklin and Eleanor Roosevelt Institute in New York. Mr. Johnson is an international investor and consultant to investment funds on issues of portfolio strategy. He recently served on the United Nations Commission of Experts on International Monetary Reform under the Chairmanship of Joseph Stiglitz. Previously, Johnson was a Managing Director at Soros Fund Management where he managed a global currency, bond and equity portfolio specializing in emerging markets. Prior to working at Soros Fund Management, he was a Managing Director of Bankers Trust Company managing a global currency fund. Johnson served as Chief Economist of the US Senate Banking Committee under the leadership of Chairman William Proxmire (D. Wisconsin). Before this, he was Senior Economist of the US Senate Budget Committee under the leadership of Chairman Pete Domenici (R. New Mexico). Johnson was also an Executive Producer of the Oscar winning documentary, *Taxi to the Dark Side*, directed by Alex Gibney, and is the former President of the National Scholastic Chess Foundation. He currently sits on the Board of Directors of both the Economic Policy Institute and the Campaign for America's Future.



Monica Aspe took up her duties as Permanent Representative of Mexico to the OECD on 29 May 2017. Prior to her appointment, Ms. Aspe served in Mexico's Ministry of Communications and Transportation, where she implemented telecommunications and digital policy. From 2015 to 2017, Ms. Aspe served as Undersecretary of Communications; and from 2011 to 2015, as Coordinator for the Information Society. Ms. Aspe was General Director at the National Broadcasting Chamber, from 2009 to 2011. Previously, she worked as a public policy consultant. Ms. Aspe also served in the Federal Electoral Institute, from 1999 to 2000. Ms. Aspe holds a Bachelor's degree from the Instituto Tecnológico Autónomo de México (ITAM) and a Master's degree from Columbia University, both in Political Science.



Eva Arceo is an Assistant Professor of Economics at Centro de Investigación y Docencia Económicas (CIDE) in Mexico City. She is interested on applied empirical work in microeconomics. The main focus of her research is on discrimination in the Mexican labour market and, more generally, in understanding the differences in outcomes between men and women in the labour market. Before joining CIDE, Eva Arceo was



a Post-doctoral Fellow at El Colegio de México's Centro de Estudios Económicos. She holds a Ph.D. in Economics from the University of California at Berkeley, an M.A. in Economics from El Colegio de México, and a B.A. in Economics from Tec de Monterrey.

Bai, Chong-En is Mansfield Freeman Chair Professor, Executive Associate Dean of the School of Economics and Management of Tsinghua University. He is also the Director of the National Institute for Fiscal Studies of Tsinghua University. His research areas include Institutional Economics, Economic Growth and Development, Public Economics, Finance, Corporate Governance and Chinese Economy. Professor Bai is a member of the executive committee of the International Economic Association, and of the Scientific Council of the Barcelona Graduate School of Economics. Bai also served on the editorial board of Journal of Comparative Economics from 2004 to 2006 and of The World Bank Economic Review from 2006 to 2008 as well as from 2011 to 2013. Professor Bai is a member of the National Committee of the Chinese People's Political Consultative Conference, the Monetary Policy Committee of the People's Bank of China, the "13th Five-Year Plan" National Development Planning Expert Committee, the Chinese Economists 50 Forum, the China Finance 40 Forum, and Chinainfo 100. He served as Adjunct Vice-President of Beijing State-Owned Assets Management Co., Ltd. from August 2011 to December 2012. He was a non-resident Senior Fellow of the Brookings Institution from 2006 to 2007.



Gareth Jones holds a chair in urban geography and is director of the Latin America and Caribbean Centre (LACC) at LSE. His research interests are in urban geography, gaining his PhD for research in Mexico on land and property markets. He has been lecturer at the Universidad de las Americas, a visiting professor at Universidad Iberoamericana, and held positions at the US-Mexican Center at University of California San Diego and the Mexican Center at University of Texas at Austin. Gareth is a member of The British Academy Area Studies Panel for Latin America and the Caribbean, and an invited member of the



Advisory Committee of the Centre of Excellence for Statistics on Governance, Public Security and Justice (INEGI-UNODC). A fluent Spanish speaker, Gareth has conducted research in Mexico, Colombia, Ecuador, Brazil, Ghana and South Africa.

Jorge Suárez Vélez is an economist and financial analyst. For the past twelve years he has been the lead anchor on the CNN programme 'Economy and Finance'. He is a founding partner of the investment consulting firm SP Family Office, LLC. in New York and SP Capital International in Panama. He is currently employed at Global Plus+ Investment Management, LLC. He was previously Global Head of Private Wealth Management at ING Groep NV from 2002- 2004. He is the author of the blog "Diario de la Crisis" which is published in the *Letras Libres* magazine website. In 2011 he published *La próxima gran caída de la economía mundial*, and in 2012 *Ahora o nunca: La gran oportunidad de México para crecer*.



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