

Conference

September 15-16, 2011

Too Big to Fail Financial Institutions?

International Perspectives and
Possible Remedies

Where :

CLUB SAINT JAMES DE MONTREAL
1145, UNION AVENUE, MONTREAL, QUEBEC, H3B 3C2

Organized by:

Robert Prasch, Professor, Middlebury College (USA)
Thierry Warin, Associate Professor, École Polytechnique
de Montréal and CIRANO (Canada)

Registration and information:

<http://www.cirano.qc.ca/conferences/toobigtofail>

Contact: reception@cirano.qc.ca

Program

Too Big to Fail Financial Institutions?

International Perspectives and Possible Remedies

THURSDAY, SEPTEMBER 15, 2011

8:30 – 9:15: Registration and coffee

9:15 – 9:30: **Claude Montmarquette**, CEO, CIRANO (Canada), Welcoming address

9:30-11:45 - TOO BIG TO FAIL DOCTRINE: A WAKE-UP CALL?

- **Jan Kregel**, Senior scholar and director of the monetary Policy and Financial Structure program, Levy Economics Institute (USA)
"Too Big To Fail and the Gramm-Leach-Bliley Act: we can't solve the first without reversing the latter"
- **Marcel Boyer**, Bell Canada Emeritus Professor of Industrial Economics and Cirano (Canada)
"The Macroprudential and Microprudential Regulation of Large Financial Institutions: Coming Back to Basics"
- **Eric Tymoigne**, Assistant professor of Economics, Lewis and Clark College (USA)
"Can Basel III Succeed Where Basel I and Basel II failed?"

11:45 – 13:15: Lunch

13:15-17:00 - TOO BIG TO FAIL: REFLECTIONS FROM AND FOR THE MONETARY AND FINANCIAL WORLD

- **Jean Boivin**, Deputy Governor and member of the Governing Council, Bank of Canada
- **Georges Ugeux**, Chairman & CEO, Galileo Global Advisors (USA)
"How to influence the Size of Financial Institutions: The Equity Challenge"

14:45 – 15:00: Coffee Break

- **Yvan Allaire**, Emeritus professor of strategy, UQÀM, Executive chair of the board, IGPPO (Institute for Governance of Private and Public Organizations), and member of the Global Council on the role of business of the World Economic Forum
"The financial crisis: Thirty years in the making and what to do to prevent the next one"
- **Stephen A. Jarislowsky**, Chairman and Director, Jarislowsky, Fraser Limited (Canada)

FRIDAY, SEPTEMBER 16, 2011

8:30 – 9:15: Registration and coffee

9:15 – 9:30: **Thierry Warin**, Associate professor, École Polytechnique de Montréal (Canada) & Middlebury College (USA)

9:30-11:45 - TOO BIG TO FAIL: THE CANADIAN EXPERIENCE AND BEYOND

- **Marc Lavoie**, Professor of Economics, University of Ottawa (Canada) & **Mario Seccareccia**, Professor of Economics, University of Ottawa (Canada)
"Competitive Pressures in the Banking Sector, Perverse Incentives, and Financial Stability: Understanding the Canadian Experience"
- **Mario Albert**, CEO, Autorité des marchés financiers (Canada)
- **Robert Prasch**, Professor of Economics, Middlebury College (USA) & **Thierry Warin**, Associate Professor of Economics, École Polytechnique de Montréal (Canada) & Middlebury College (USA)
"Too Big to Fail: the political economy of a flawed doctrine"

11:45 – 13:15: Lunch

13:15-15:30 - TOO BIG TO FAIL: THE U.S., THE CRISIS AND BEYOND

- **Jeffrey A. Frieden**, Professor of Government, Harvard University (USA)
"Crisis, adjustment, and the political economy of financial regulation"
- **Robert Amzallag**, Invited Fellow Cirano, former President and CEO of BNP Paribas-Canada
"Too Big to Fail: An international banker's perspective"
- **David Min**, Associate Director for Financial Markets Policy, Center for American Progress (USA)

15:30 – 15:45: Concluding remarks



Biographies

Too Big to Fail Financial Institutions

Mario Albert

CEO, Autorité des marchés financiers (Canada)

Mario Albert is an economist by profession who holds a master's degree in economics from Laval University. He launched his career with the Department of Finance of the Government of Canada, where he served as head of the economic forecasting unit, among other positions. Mr. Albert joined the Québec Finance Ministry in 1994. In 2001, he was appointed Assistant Deputy Minister responsible for budget policy and economics. As such, he was called on to take part in numerous projects, including preparations for the Québec government's annual budget, the conclusion of agreements with the federal government on the renewal of fiscal equalization and health financing, and the implementation of the Generations Fund. Mr. Albert joined the Autorité des marchés financiers (AMF) in November 2007 as Superintendent, Distribution. In October 2008, he also assumed responsibility for institutional affairs and, in February 2010, his mandate was broadened to include client services and compensation.



Yvan Allaire

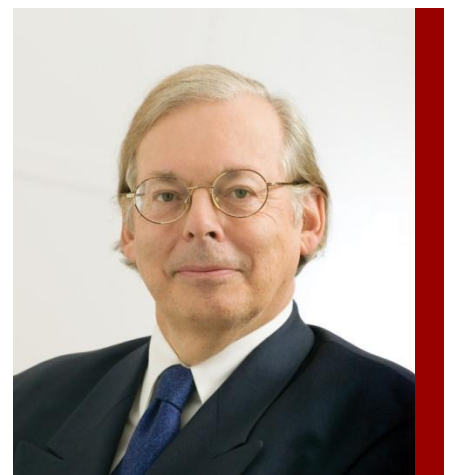
Emeritus professor of strategy, UQÀM, Executive chair of the board, IGPO (Institute for Governance of Private and Public Organizations), and member of the Global Council on the role of business of the World Economic Forum

Dr. Allaire is Executive Chair of the Board of the *Institute for Governance of Private and Public Organizations* (IGOPP); Professor emeritus of strategy, UQÀM, a Fellow of the Royal Society of Canada and a member of the *World Economic Forum's* Global Council on The Role of Business.

He holds a B.Sc. Com. (*Summa cum laude*) and an MBA from the Université de Sherbrooke, and a PhD from the Sloan School of Management, MIT. Dr. Allaire received in 1997 a doctorate honoris causa from the Academy of Economic Sciences of Bucharest.

In 1990, Dr. Allaire was elected Fellow of the Academy of Social Sciences and Humanities of the Royal Society of Canada. From May 1996 to June 2001, he was Executive Vice President of Bombardier Inc., and Chairman of the Board of Bombardier Capital from 1998 to 2001. In 2003, he has chaired the Quebec Government Working Group on the Modernization of the Governance of State-owned Enterprises. From 2005 to 2009, he was a Member of the board of the Caisse de dépôt et placements du Québec (*the largest public pension fund in Canada*), chairman of its governance and ethics committee.

He is a member of The Strategic Management Association, Sigma Xi (M.I.T. Chapter), Mensa International, the Conseil des relations internationales de Montréal (CORIM), inter alia. In 2008, Dr. Allaire was selected as one of Canada's six Business Gurus by the *Financial Post Magazine* (April 2009).



Robert Amzallag

Invited Fellow Cirano, former President and CEO of BNP Paribas-Canada

Robert Amzallag has been an international banker with BNP Paribas for over thirty years.

After graduating from the ``Ecole des Mines``, a French engineering school, he went on to get an MBA from INSEAD.

Robert Amzallag joined the Banque Nationale de Paris in 1971 and very soon started his international career in Mexico and Hong Kong. He then went on to head the bank's operations in countries as diverse as Ireland, Australia and the UK. After being in charge of credit and market risks for two years in BNP Paribas' head office, he concluded his career with the bank as President of BNP Paribas Canada.

During his assignments, Robert Amzallag played for many years an important role in various professional associations. His successive positions as President of the Australian foreign banks association, Chairman of the Foreign banks and securities association of Great Britain and Vice President of the British Bank Association, have given him a deep and international perspective on the financial sector.

Robert Amzallag is currently an Invited Fellow at CIRANO and since 2008 has published various papers on the financial crisis and its aftermath.

Robert Amzallag is a recipient of the French honour of ``Chevalier de la Legion d'Honneur``.



Jean Boivin

Deputy Governor and member of the Governing Council, Bank of Canada

Jean Boivin was appointed Deputy Governor of the Bank of Canada in March 2010. In this capacity, he is one of two deputy governors responsible for overseeing the Bank's analysis of domestic and international economic developments in support of monetary policy decisions. As a member of the Bank's Governing Council, he shares responsibility for decisions with respect to monetary policy and financial system stability, and for setting the strategic direction of the Bank. Prior to becoming a Deputy Governor, Mr. Boivin was a Special Adviser to the Governor for 2009-10. This position gives university and private sector professionals in economics and finance first-hand knowledge of the Bank of Canada and brings additional perspectives to the Bank's monetary policy discussions. Before joining the Bank, Mr. Boivin was a professor and held the Chair of Monetary Policy and Financial Markets of the Institute of Applied Economics at HEC Montréal. Mr. Boivin was a member of the Monetary Policy Council at the C.D. Howe Institute, a Research Associate at the National Bureau of Economic Research, and a Fellow of the Centre interuniversitaire de recherche en analyse des organisations (CIRANO). He has taught at the Columbia University Graduate School of Business and has published widely in the areas of monetary policy, interest rates, inflation, and international economics. Mr. Boivin is a native of Chicoutimi, Quebec. He holds a BA (1995) in economics from the Université de Montréal and both an MA (1997) and a PhD (2000) in economics from Princeton University.



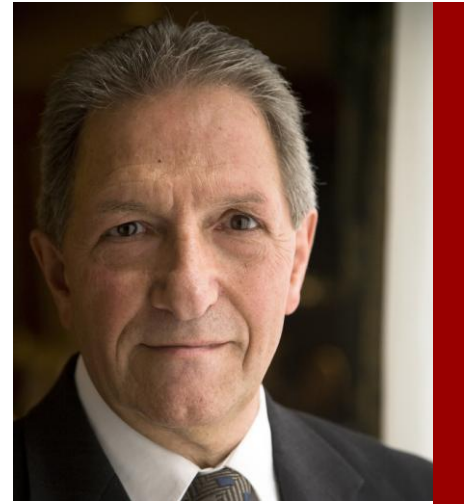
Marcel Boyer

Bell Canada Emeritus Professor of Industrial Economics and Fellow CIRANO

Marcel Boyer (Ph.D., Carnegie-Mellon University) is presently Emeritus Professor of Economics, Université de Montréal; Research Associate, Department of Economics, École Polytechnique de Paris; Fellow of CIRANO, C.D. Howe Institute, and CIREQ; University Affiliate, The Analysis Group; Member of the Governance committee of the "Sustainable Finance and Responsible Investment" Chairs (École Polytechnique de Paris and Université de Toulouse); and Vice-president of the Society for Economic Research on Copyright Issues.

He held the Bell Canada Chair in Industrial Economics, University of Montreal (2003-2008), and the Jarislowsky-SSHRC-NSERC Chair in Technology and International Competition, École Polytechnique de Montréal (1993-2000). He was Vice-President and Chief Economist of the Montreal Economic Institute (2007-2010), President of the Canadian Economics Association (1990-91), President of the SCSE (1995-96), CEO of CIRANO (1998-2002; VP and Scientific Director 1993-98), Member of the Board of Directors of National Bureau of Economic Research (1992-2000), National Statistics Council of Canada (1992-98), Management Committee of Bell-University Labs, Montreal Mathematical Finance Institute, Social Science and Humanities Research Council of Canada, Agency for Public-Private Partnerships of Québec. He was also Chairman of the Network for Computing and Mathematical Modelling, Visiting Senior Research Advisor at Industry Canada, Member of the Editorial Board of the Canadian Journal of Economics and the Journal of Economic Behavior and Organization.

Author or coauthor of over 260 scientific articles and papers and public and private reports, Professor Boyer conducts research in the areas of investment valuation; efficient organizations, innovation and competition (competitive social-democracy); incentives, incomplete information and uncertainty; public policy; and law and economics (cartels, environmental issues, intellectual property rights). He received the Alexander-Henderson Award (Carnegie-Mellon University 1971), Prix Marcel-Dagenais (SCSE 1985), Endowment-for-the-future Distinguished Scholar Award (University of Alberta 1988), Distinguished Guest Professor Award (Wuhan University of Technology 1995), Prix Marcel-Vincent (ACFAS 2002), and Médaille Guillaume-Budé (Collège de France 2005). He is an elected member (1992) of the Royal Society of Canada (RSC - The Academies of Arts, Humanities and Sciences of Canada).



Jeffrey A. Frieden

Professor of Government, Harvard University (USA)

Jeffrey Frieden is Stanfield Professor of International Peace at Harvard University. He specializes in the politics of international monetary and financial relations. Frieden is the author of *Global Capitalism: Its Fall and Rise in the Twentieth Century* (2006); of *Debt, Development, and Democracy: Modern Political Economy and Latin America, 1965-1985* (1991); and of *Banking on the World: The Politics of American International Finance* (1987). Among other publications, he is the coeditor (with Ernesto Stein) of *Currency Games: Exchange Rate Politics in Latin America* (2001); (with Barry Eichengreen) of *Forging an Integrated Europe* (1998); and (with David Lake) of *International Political Economy: Perspectives on Global Power and Wealth, Fourth Edition* (2000).

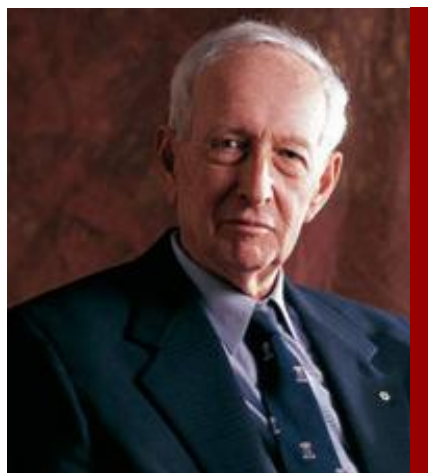
His latest book co-authored with Menzie Chinn is titled "Lost Decades: *The Making of America's Debt Crisis and the Long Recovery* (2011.)



Stephen A. Jarislowsky

Chairman and Director, Jarislowsky, Fraser Limited (Canada)

Stephen Jarislowsky was born in Berlin, Germany in 1925. He attended public and high school in the Netherlands and France and emigrated to the United States in 1941. He attended preparatory school in North Carolina followed by Cornell University (Mechanical Engineering) and then served in the US Army. He finished basic training and studied Japanese at the University of Chicago prior to serving in Counter-Intelligence in Japan after the war. On return to the USA, he attended the University of Chicago graduation with an MA and Phi Beta Kappa Honors. He followed this with MBA studies at Harvard Business School. He worked three years with Alcan Aluminum in Montreal and briefly returned to the United States prior to starting Jarislowsky, Fraser & Company Limited in June 1955 in Montreal. Now Chairman and CEO and former President of the firm for 40 years, he has directed the growth of the company to become one of the largest and most successful investment management firms in Canada. Mr. Jarislowsky has been active in other corporations, participated in educational, cultural and charitable activities of many kinds, endowed several Universities, Mr. Jarislowsky chairs and contributes frequently to television, radio, magazines and newspapers. Mr. Jarislowsky was a co-founder of the Canadian Coalition for Good Governance. He is a recipient of the Order of Canada, Honorary LL.D. from Queen's and the University of Alberta, as well as the Université de Montréal.



Jan Kregel

Senior scholar and director of the monetary Policy and Financial Structure program, Levy Economics Institute (USA)

Jan Kregel is a senior scholar at the Levy Economics Institute of Bard College and director of its Monetary Policy and Financial Structure program. He also holds the position of professor of development finance at Tallinn University of Technology. In 2009, Kregel served as Rapporteur of the President of the UN General Assembly's Commission on Reform of the International Financial System. He previously directed the Policy Analysis and Development Branch of the UN Financing for Development Office and was deputy secretary of the UN Committee of Experts on International Cooperation in Tax Matters. He is a former professor of political economy at the Università degli Studi di Bologna and a past professor of international economics at Johns Hopkins University's Paul Nitze School of Advanced International Studies, where he was also associate director of its Bologna Center from 1987 to 1990. Kregel has published extensively, contributing over 200 articles to edited volumes and scholarly journals, including the *Economic Journal*, *American Economic Review*, *Journal of Economic Literature*, *Journal of Post Keynesian Economics*, *Economie Appliquée*, and *Giornale degli Economisti*. His major works include a series of books on economic theory, among them, *Rate of Profit, Distribution and Growth: Two Views*, 1971; *The Theory of Economic Growth*, 1972; *Theory of Capital*, 1976; and *Origini e sviluppo dei mercati finanziari*, 1996. His most recent book is *Ragnar Nurkse: Trade and Development* (with R. Kattel and E. S. Reinert), 2009. Kregel studied under Joan Robinson and Nicholas Kaldor at the University of Cambridge, and received his Ph.D. from Rutgers University under the chairmanship of Paul Davidson. He is a life fellow of the Royal Economic Society (UK) and an elected member of the Società Italiana degli Economisti. In 2010, he was awarded the prestigious Veblen-Commons Award by the Association for Evolutionary Economics for his many contributions to the economics field.



Marc Lavoie

Professor of Economics, University of Ottawa (Canada)

Marc Lavoie is Professor in the Department of Economics at the University of Ottawa, where he started teaching in 1979. Besides having published more than 100 articles in refereed journals and more than 60 chapters in books, he has written a number of books, among which *Introduction to Post-Keynesian Economics* (2006), translated into four languages, *Foundations of Post-Keynesian Economic Analysis* (1992), as well as *Monetary Economics: An Integrated Approach to Money, Income, Production and Wealth* (2007) with Wynne Godley, a book which deals with the stock-flow consistent method. With Mario Seccareccia, he has been the co-editor of three books, including one on the works of Milton Friedman, in addition to writing the first Canadian edition of the Baumol and Blinder first-year textbook (2009). Lavoie has also been the associate editor of the *Encyclopedia of Political Economy* (1999), and he has been a visiting professor at the universities of Bordeaux, Nice, Rennes, Dijon, Grenoble, Limoges, Lille, Paris-Nord and Paris-1, as well as Curtin University in Perth (Australia). He has lectured at the post-Keynesian summer schools in Kansas City, the Levy Institute and Berlin.



David Min

Associate Director for Financial Markets Policy, Center for American Progress (USA)

David Min is the Associate Director for Financial Markets Policy at the Center for American Progress. He leads the activities of the Mortgage Finance Working Group, a group of leading experts, academics, and progressive stakeholders in housing finance first assembled by the Center for American Progress in 2008 to better understand the causes of the mortgage crisis and create a framework for the future of the U.S. mortgage system. David also works on financial market issues for the Center. He is frequently quoted on these and other issues in various media outlets, including National Public Radio's Marketplace, the Diane Rehm Show, Reuters, Associated Press, The Boston Globe, CNBC, Bloomberg, and The Washington Post. Prior to joining the Center, he was a senior policy advisor and counsel with the Joint Economic Committee of the U.S. Congress, where he focused on policy solutions to the credit crisis, as well as other macroeconomic and financial markets issues. David was formerly the Banking Committee counsel for Sen. Charles Schumer (D-NY). Before coming to Capitol Hill, David was a securities litigator, first as an Enforcement Division attorney at the Securities and Exchange Commission, and later in the Washington, D.C. office of WilmerHale LLP. David holds a J.D. from Harvard Law School, and received his undergraduate degrees from the University of Pennsylvania's Wharton School of Business and School of Arts and Sciences, where he graduated magna cum laude and Phi Beta Kappa.



Robert Prasch

Professor of Economics, Middlebury College

Robert E. Prasch joined Middlebury College's Economics Department in 2000 and was promoted to Associate Professor in 2003. He received his Ph.D. in economics from the University of California, Berkeley in 1992. He also has an MA in economics from the University of Denver (1986), and a BA in history and economics from the University of Colorado, Boulder (1983). Before coming to Middlebury, he taught at Vassar College, the University of Maine, and San Francisco State University. Each year, he teaches at least one course on Monetary Theory and Policy, Macroeconomics, and American Economic History. Additionally, he frequently presents the History of Economic Thought as either a Freshman Writing Course or Senior Seminar.

Currently, he is completing a two book manuscripts. The working title of the first is "A Wage of Her Own: The Rise and Fall of Progressive Era Minimum Wage Legislation for Women: 1913-1923," the second is "The Political Economy of Empire." He has also co-edited two books, Thorstein Veblen and the Revival of Free Market Capitalism (Edward Elgar, 2007), and Race, Liberalism and Economics (University of Michigan Press, 2004). His most recent book is How Markets Work: Supply, Demand, and the 'Real World' (Edward Elgar, 2008).

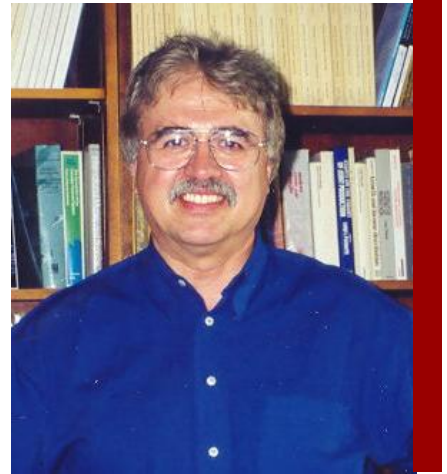
In addition to the above, he has published over 80 articles, book chapters, and reviews on sundry topics in a variety of scholarly journals. He also served on the board of editors of the Journal of Economic Issues and is currently on the board of editors of the Review of Political Economy. He has also served on the Board of Directors of both the Association for Evolutionary Economics and the Association for Social Economics.



Mario Seccareccia

Professor of Economics, University of Ottawa (Canada)

Mario Seccareccia has been teaching at the University of Ottawa since 1978. He has authored/co-authored or co-edited some eight books or monographs, and has published some 75 articles or chapters of books. He is also editor of the New York-based International Journal of Political Economy. His principal research interests are in the areas of monetary economics, history of economic thought and methodology, labour economics, and Canadian economic history. Between 1988 and 2006, he taught economics at the Labour College of Canada and, over the years he has been consultant economist to a number of trade unions, including direct involvement in collective bargaining via the Association of Professors of the University of Ottawa (APUO) where he has held the position of vice-president. He has also been appointed visiting professor of economics at the University of Paris-Sud and the University of Bourgogne in France, and has lectured at the Post Keynesian Summer School of the University of Missouri in Kansas City.



Eric Tymoigne

Assistant professor of Economics, Lewis and Clark College of Arts (USA)

Eric Tymoigne is associate professor of economics at Lewis and Clark College, Portland, Oregon; and Research Associate at the Levy Economics Institute of Bard College. His areas of teaching and research include macroeconomics, money and banking, and monetary economics.

He is the author of *Central Banking Asset Prices and Financial Fragility* (Routledge, 2009). He has also published articles on issues related to macroeconomics, financial reforms and history of economic thought in edited books and in journals such as *Journal of Post Keynesian Economics* and *Journal of Economic Issues*.

Eric Tymoigne is working closely with other members of the Levy Economics Institute on a research project funded by the Ford Foundation. One goal of the project is to make several propositions to reform the financial system in order to promote financial stability. Another goal is to improve the measurement of financial fragility.



Georges Ugeux

Chairman and CEO , Galileo Global Advisors (USA)

A lawyer and economist by training, Georges Ugeux has focused his entire 40 year career on the global dimensions of business, government and finance. He has a deep understanding of the cultural dimension of negotiations, networks and partnerships. Georges began his career in commercial banking at Societe Generale de Banque (now Fortis Bank), where he became the General Manager of the investment banking and trust division. He later served as Managing Director of Morgan Stanley's Mergers and Acquisitions department, as well as Group Finance Director at Societe Generale de Belgique, a Belgian conglomerate. In 1992, he became President and Managing Director of Kidder, Peabody Europe. He was also a member of the European Corporate Executive Council of General Electric. He was President of the European investment Fund, a public private partnership financing infrastructure and SME projects owned by the European Investment Bank, the European Community and 77 European banks. For seven years Georges immersed himself in the global equity markets by heading the International Group of the New York Stock Exchange, bringing over 300 non-US companies, valued at \$ 2.7 trillion, to the US market. In October of 2003, Georges founded Galileo Global Advisors LLC, a New York-based investment banking advisory firm with a direct focus on emerging markets. The firm offers CEOs, Boards of Directors and Governments independent advice on international business development, restructuring, compliance and capital market issues. He also chairs and sits on Boards of numerous transatlantic organizations.



Thierry Warin

Associate professor of Economics, École Polytechnique de Montréal (Canada) and Middlebury College (USA)

Thierry Warin is associate professor of economics at the École Polytechnique de Montréal on leave from Middlebury College. He is a former director of the International Studies Program at Middlebury College. Warin has authored more than 25 academic publications and seven books. His most recent projects include a special issue called « The Euro at 10 » for the International Journal of Economics and Business and a book entitled « The Status of Youth in the French Social Model » (with Melissa Klein) (2008).

Before coming to École Polytechnique, he held positions in several academic institutions (Essec Business School, Harvard University, HEC Paris, HEC Montreal). His research is mainly on international economics topics, with a particular focus on European economic integration.

Warin is also interested in using macroeconomic tools to spur economic development, and has done research on this topic in the Balkans and Haiti. He is currently working on a book titled "The Macroeconomics of Development."

An alumnus of the Minda de Gunzburg Center for European Studies at Harvard University, Warin completed his doctorate in economics at Essec Business School in Paris.





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