

**March 21, 2001**



**The Pinhas Sapir Center for Development  
Tel-Aviv University**

**“Economic Policy in the International  
Economy”**

**A Conference in Honor of Assaf Razin’s  
Sixtieth Birthday**

**Tel-Aviv University, March 25-26, 2001**

**Venue:**

**The Marcelle Gordon University Club of Tel-Aviv University  
(“The Green House”), 24 George Wise Street, Ramat Aviv.**

**Information:**      **Tel: 972-3-6409712, 972-3-6419924,**  
                             **Fax: 972-3-6428074 Cellular: 972-52-998400**  
                             **E - Mail: [sapircen@post.tau.ac.il](mailto:sapircen@post.tau.ac.il)**

# **“Economic Policy in the International Economy” Program**

**SUNDAY, March 25<sup>th</sup>, 2001**

**8:30-10:30 Chair: Efraim Sadka, Tel-Aviv University**

**Greetings: Itamar Rabinovich, President, Tel-Aviv University  
Nili Cohen, Rector, Tel-Aviv University**

**1 “On the Growth Effects of Capital Account Liberalization”**

- \* Barry Eichengreen                      University of California, Berkeley
- \* Charles Wyplosz                      Graduate Institute of International Studies and  
ICMB, Geneva
- Carlos Arteta                      University of California, Berkeley
- Discussant:** Anne O. Krueger, Stanford University

**2 “Economic Integration, Industrial Specialization, and the Asymmetry of  
Macroeconomic Fluctuations”**

- \* Sebnem Kalemli-Ozcan              University of Houston
- Bent E. Sorensen                      Federal Reserve Bank of Kansas City
- \* Oved Yosha                      Tel-Aviv University
- Discussant:** Lars E.O. Svensson, Stockholm University

**10:30-11:00                      C O F F E E   B R E A K**

**11:00-12:30 Chair: M June Flanders, Tel-Aviv University**

**3 “Sources of Inflation in Developing Countries”**

- \* Prakash Loungani                      International Monetary Fund
- Phillip Swagel                      International Monetary Fund
- Discussant:** Eran Yashiv, University of Haifa

**4 “Social Dumping in the Transformation Process?”**

- Hans-Werner Sinn                      University of Munich
- Discussant:** Harry Flam, Stockholm University

**12:30-14:00                      L U N C H**

**14:00-15:30 Chair: David Pines, Tel-Aviv University**

**5 “Growth Effects and the Cost of Business Cycles”**

- Gadi Barlevy                      Northwestern University
- Discussant:** Zvi Hercowitz, Tel-Aviv University

\* will present the paper

- 6 “Financial and Monetary Policies in an Economy with Balance Sheet Effects”**  
 Aaron Tornell                      University of California, Los Angeles  
**Discussant:** Daniel Tsiddon, Tel-Aviv University

**15:30-16:00                                      C O F F E E   B R E A K**

**16:00-17:30    Panel Discussion on:**  
**“Contemporary Issues in the International Economy”**

**Moderator: Haim Ben-Shahar, Tel-Aviv University**

**Participants:**    Jacob Frenkel                      Merrill Lynch and Tel-Aviv University  
                          Paul Krugman                      Princeton University  
                          Anne O. Krueger                      Stanford University  
                          Assaf Razin                              Tel-Aviv University  
                          Leonardo Leiderman                      Deutsche Bank and Tel-Aviv University

**MONDAY, March 26<sup>th</sup>, 2001**

**9:00-11:15    Chair: Ariel Rubinstein, Tel-Aviv University**

- 7 “Simulating Fundamental Tax Reform in the United States”**  
 \* Alan J. Auerbach                      University of California, Berkeley  
   David Altig                              Federal Reserve Bank  
   Laurence J. Kotlikoff                      Boston University  
   Kent A. Smetters                              University of Pennsylvania  
   Jan Walliser                              International Monetary Fund  
**Discussant:** David M. Frankel, Tel-Aviv University

- 8 “The International Macroeconomics of Taxation and the Case Against European Tax Harmonization”**  
 Enrique G. Mendoza                      Duke University  
**Discussant:** Michel Strawczynski, Bank of Israel

- 9 “Home Bias in Portfolios and Taxation of Asset Income”**  
 \* Roger H. Gordon                      University of California, San Diego  
   Vitor Gasper                              European Central Bank  
**Discussant:** Joseph Zeira, The Hebrew University

**11:15-11:45                                      C O F F E E   B R E A K**

**11:45-13:15    Chair: Chaim Fershtman, Tel-Aviv University**

- 10 "Do Political Institutions Shape Economic Policy?"**  
 Torsten Persson                              Stockholm University  
**Discussant:** Allan Drazen, Tel-Aviv University

\* will present the paper

- 11 "On the Empirics Of Economic Growth"**  
Yair Mundlak                                      The Hebrew University  
**Discussant:** Zvi Eckstein, Tel-Aviv University

**13:15-14:30                                      L U N C H**

**14:30-16:00      Chair: Itzhak Zilcha, Tel-Aviv University**

- 12 "Solutions (?) to the "Devaluation Bias": Some Preventive Measures to Defend Fixed Exchange Rates against Self-Fulfilling Attacks"**  
Chi Wa Yuen                                      University of Hong Kong  
**Discussant:** Sebnem Kalemli-Ozcan, University of Houston

- 13 "Risk and Exchange Rates"**  
Maurice Obstfeld                                      University of California, Berkeley  
Kenneth S. Rogoff                                      Harvard University  
**To be presented by:** Oved Yosha, Tel-Aviv University

**16:00-16:30                                      C O F F E E   B R E A K**

**16:30-18:00      Chair: Elhanan Helpman, Tel-Aviv University**

- 14 "Uncovered Interest Parity in Crisis: The Interest Rate Defense in the 1990s"**  
Robert P. Flood                                      International Monetary Fund  
\* Andrew K. Rose                                      University of California, Berkeley  
**Discussant:** Leonardo Leiderman, Deutsche Bank and Tel-Aviv University

- 15 "Crises: The Next Generation"**  
Paul Krugman                                      Princeton University  
**Discussant:** Assaf Razin, Tel-Aviv University

\* Will present the paper