

**School of Finance, Central University of Finance and Economics
InWEnt Capacity Building International
German Development Institute (DIE)**

Workshop on

**“The Global Financial Crisis and the
Reform of the Financial Regulatory Framework”**

Beijing, 7-8 May 2009

Programme

(Final Version)

Background

The global financial crisis has underscored the importance of comprehensive and efficient financial market regulation and supervision. The scope and severity of the crisis has also highlighted the importance of international cooperation to counter the effects of the crisis and prevent new ones from occurring.

Against the backdrop of the current crisis, this workshop seeks to discuss the reform of national as well as international financial regulatory frameworks and exchange experiences with regulation in different countries and regions. Topics to be addressed include adequate crisis responses that will help continued growth and development, appropriate measures that should be taken regarding the regulation and supervision of financial markets, regional financial integration and regulatory cooperation in East Asia, and the reform and strengthening of the global financial architecture.

The workshop is intended to provide inputs for a planned international conference in Berlin/Germany on 3&4 September 2009 on “Global financial governance – challenges and regional responses”.

Venue:

School of Finance
Central University of Finance and Economics (CUFE)
39 South College Road, Beijing, 100081, CHINA

The working languages will be English/Chinese.

The workshop will be moderated by Anja Chia Y.L., Director InWEnt Coordination Center Beijing

Day 1 (7 May 2009)

08:40 – 09:00 **Welcome and Opening Remarks**

- **Liqing Zhang**, Dean, School of Finance, Central University of Finance and Economics (CUFE), Beijing
- **Thomas Helfen**, Counsellor and Head of Department of International Cooperation and Development, Embassy of the Federal Republic of Germany, Beijing
- **Ina Dettmann-Busch**, Senior Project Manager, Division Economic Policy and Good Governance, InWEnt – Capacity Building International, Berlin
- **Peter Wolff**, Head of Department, World Economy and Development Financing, German Development Institute (DIE), Bonn

9:00 – 11:00 **Session 1: The Global Financial Crisis: Origins, Consequences and Lessons**

The first session discusses the causes and effects of the global financial crisis and the adequacy of the policy responses taken so far. In particular, the effectiveness of fiscal stimulus packages will be examined and how growth and development can be helped by further financial market reform. It shall also address what efforts are needed for achieving sustained poverty reduction and maintaining social stability.

Chair: **Jiyao Bi**, Deputy Director, Institute of Foreign Economic Policy, National Development and Reform Commission, Beijing

Speakers:

- **Xiangyang Li**, Deputy Director, Institute of World Economy and Politics, Chinese Academy of Social Science (CASS), Beijing
- **David Dollar**, Country Director, China and Mongolia, World Bank, Beijing
- **Ansgar Belke**, Professor of Economics, University of Duisburg-Essen and designated Vice President of the German Institute for Economic Research (DIW), Berlin
- **Liqing Zhang**, Dean, School of Finance, Central University of Finance and Economics (CUFE), Beijing

11:00 – 11:15 **Coffee Break**

11:15 – 13:15 **Session 2: Rethinking Financial Liberalisation and Financial Regulation**

The global financial crisis has sparked a discussion about the appropriate level of financial market regulation and supervision, both in global financial markets and on a domestic level. Albeit there is new and widespread consensus nowadays about the need for a comprehensive regulation and supervision of financial markets, the optimal level of regulation remains elusive in the face of the fundamental trade-off between the potential benefits of financial market liberalisation on the one side and the potential cost that financial liberalisation and innovation might cause in terms of increased susceptibility to financial crisis. To avoid market instability, it is important to identify weaknesses in financial markets and regulation, as well as potential sources of financial contagion from abroad, and how these should be addressed. For economies such as China, an important question is how much further financial markets should be liberalised and how far the opening of the domestic banking sector and the integration into international securities markets should be driven.

Chair: **Peter Wolff**, Head of Department, World Economy and Development Financing, German Development Institute (DIE), Bonn

Speakers:

- **Jochen Robert Elsen**, Senior Advisor International Policy, German Federal Financial Supervisory Authority (BaFin), Frankfurt
- **Xiaopu Zhang**, Division Chief, Supervisory Rules & Regulations Department, China Banking Regulatory Commission (CBRC), Beijing
- **Zhong Xu**, Division Chief, Research Department, People's Bank of China, Beijing

13:15 – 14:30 **Lunch**

14:30 – 16:30 **Session 3: Regional Financial Integration and Financial Regulatory Cooperation**

The decade since the Asian financial crisis has seen a growing interest of East Asian policymakers in the regional integration of financial markets and a closer coordination in regulation and surveillance of financial markets. In light of the current discussions of a revamping of the global financial system, this session shall explore whether and how a strengthening of regional financial cooperation could contribute to the stability not only of regional but also global financial markets. This session discusses how the initiatives taken in the region hitherto – including the establishment of the Economic Review and Policy Dialogue by the ASEAN+3, the development of a regional bond market, and the

multilateralisation of the Chiang Mai Initiative –, as well as further efforts in regional cooperation could make for a less volatile financial environment on a regional and global scale.

Chair: **Ulrich Volz**, Senior Economist, German Development Institute (DIE), Bonn

Speakers:

- **Lotte Schou-Zibell**, Senior Economist, Office of Regional Economic Integration, Asian Development Bank, Manila
- **Haihong Gao**, Director of International Finance Section, IWEP, CASS, Beijing
- **Jian Li**, Professor of Economics, Head of Monetary Economics Department, School of Finance, CUFE

16:30 – 16:45 **Coffee Break**

16:45 – 18:00 **Session 4: Keynote Speeches**

Chair: **Liqing Zhang**, Dean, School of Finance, Central University of Finance and Economics (CUFE), Beijing

Keynote speakers:

- **Jianhua Zhang**, Director, Research Department, People's Bank of China, Beijing
- **Erich Harbrecht**, Head of Division, International Financial Systems, Deutsche Bundesbank, Frankfurt

18:15 – 20:15 **Conference Dinner**

Day 2 (8 May 2009)

09:00 – 11:00 **Session 5: Reform of the International Financial Architecture**

The G20 is currently working on a blueprint for a new global financial order; at the same time, the President of the United Nations General Assembly has assigned a commission of experts headed by Nobel laureate Joseph Stiglitz to develop proposals for a reform of the international monetary and financial systems. Besides a better regulation and supervision of global financial markets, an enhanced role for and a reform of international financial institutions, the IMF in particular, has become a key topic of discussions. The future shape of the global financial system will have great implications for emerging and industrialised economies alike. This session will address the proposals that have been brought forward by the G20 and the Stiglitz commission and the role that China and the European Union shall play in the future international financial system.

Chair: **Houwen Du**, Professor of Economics, Former Vice President, Renmin University of China, Beijing

Speakers:

- **Benhua Wei**, Vice Governor, State Administration of Foreign Exchange and Former China Director in IMF, Beijing
- **Tarhan Feyzioglu**, Resident Representative in China, IMF, Beijing
- **Michael Wieneke**, Financial Counsellor, German Ministry of Finance/German Embassy, Beijing

11:00 – 11:15 **Coffee Break**

11:15 – 12:30 **Session 6: Summing Up & Open Discussion**

Chair: **Ulrich Volz**, Senior Economist, German Development Institute (DIE), Bonn

12:30 – 12:40 **Closing Remarks**

- **Heike Bürskens**, Desk Officer, East Asia Section, Federal Ministry for Economic Cooperation and Development (BMZ), Bonn
- **Liqing Zhang**, Dean, School of Finance, Central University of Finance and Economics (CUFE), Beijing

12:40 – 13:30 **Farewell Lunch**