



**XXX Summer School / XXX. Uda Ikastaroak**  
**XXIII European Courses / XXIII. Europar Ikastaroak**

**University of the Basque Country / Euskal Herriko  
Unibertsitatea**

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SEMINAR A.6.

**Crisis and economic agents: a global framework in movement (S)**

**Directed by:**

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**Location:**

Palacio Miramar, Donostia-San Sebastián

**Objectives:**

Since July 2007, the world has been immersed in the most important global crisis since the Great Depression of 1929. The North American subprime mortgage crisis, which erupted during the summer of 2007, was the tip of the iceberg and sparked a systemic crisis which was unparalleled in terms of size or ramifications.

While there has been heated debate about the root causes of this crisis, there is widespread consensus that the financial system is to blame: a combination of excessive liquidity and low interest rates, ignited by financial innovations tolerated by monetary and supervisory authorities lead to a very important credit expansion based on progressively decreasing quality risks and to speculative bubbles of certain assets, and property in particular. This process occurred during such a long and buoyant economic growth cycle that it seemed as though cycles no longer existed, and in which secondary stock markets had grown accustomed to a pattern of boundlessly breaking ever higher limits.

Despite evidence of significant imbalances in budgets and balance of payments in developed countries, and of the considerable increase in the prices of many raw materials, much emphasis was placed on the development potential of emerging countries, disregarding artificially unnatural situations on the foreign exchange market and the important drop in savings rates in developed countries.

Over the last three and a half years, world economic growth has been held back by the recessive evolution of the economies of developed countries. In turn, the international financial system has undergone one of the most unpredictable and complicated periods of its history, particularly because of the fragility of its credit system, the budgetary weakness of certain countries and strains in the foreign exchange market.

In this seminar, a systemic focus will be used to examine the imbalances which are apparent in different spheres, and to assess their development alternatives for a model which is socially and economically sustainable from a global perspective.

The analysis of families and companies will therefore focus on indebtedness both from a quantitative and qualitative perspective, because this could well be the tool which will enable as well as hinder growth. In a globalised environment, companies face challenges relating to innovation and competitiveness. These factors in turn have a direct impact on individuals and families in terms of training and the labour market.

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Countries and their institutions (particularly those of developed countries) have seen how their budgetary and social policies for the welfare state have been severely affected by the slowing down of economic activity and of important funds being allocated to support their respective national financial systems which are suffering from the pressure of external financing of their deficits, cause and consequence of the imbalances which exist between the main emerging countries and developed economies.

One case which is worthy of special analysis is that of the European Union. The evolution of the crisis has resulted in the political-juridical characteristics of this supranational institution being put to the test, and its inflexibility and points of friction providing lessons for its governance. By way of extension, this analysis will be extended to other supranational institutions, such as the International Monetary Fund, the World Bank, the World Trade Organisation, especially in these times when there has been a shift in the global geopolitical axis and their activity could be decisive for global alignment and governance of objectives and interests.

The presence and activity of supervisory, monetary supervisory authorities have been crucial during this crisis. The decisive and timely action by monetary authorities following the outbreak of the crisis determined its subsequent evolution. We are now in a position to examine their role and sphere, and particularly the discrepancies between regulations which could again result in important imbalances.

Finally, the credit system, which is absolutely basic for the operation of the current model, is at the epicentre of the origin and consequences of this financial crisis. A wide range of measures are currently being considered which will determine the evolution of the crisis (Basilea III, the Dodd-Frank Act, etc.) and questions have been raised about its structure and operation for solvency and stability will only be restored if these are resolved.

During the course of this seminar, different economic agents will examine the systemic elements and imbalances which have arisen as a result of the magnitude of the current crisis in an attempt to determine what modifications can be implemented in order to achieve sustainable social and economic growth on a global level.

#### **In collaboration with the Federation of Basque-Navarre Savings Banks**

*Enrolment fee: until 31st May - 75€; after 1st June - 90€*

*Academic validity: 30 hours*

Official language: Spanish

**PROGRAMME****26th July**

- 8:45 Distribution of documentation
- 9:00 Presentation  
**PEDRO MARTÍNEZ DE ALEGRÍA**  
*Technical General Secretary Federation of Basque-Navarre Savings Banks, Vitoria-Gasteiz*
- 9:15 “An overall view of the crisis: the global imbalances in the international economic system”  
**LUIS SERVEN**  
*World Bank, Washington*
- 10:30 “The new emerging economies and political power in the global economy”  
**PABLO BUSTELO.**  
*Complutense University, Madrid*
- 12:00 “Global imbalances, asset bubbles and the financial system”  
**OSCAR ARCE**  
*Spanish Securities Exchange Commission, Madrid*
- 13:00 “The future of the euro: from monetary integration to political integration”  
**MANUEL CONTHE**  
*Bird and Bird Spain, Madrid*

**AFTERNOON SESSION**

- 16:30 “How to escape the currency war”  
**D. FEDERICO STEINBERG**  
*Royal Elcano Institute, Madrid*
- 17:30 “Crisis of raw materials, the economy and financial markets”  
**PEDRO ANTONIO MERINO**  
*REPSOL, Madrid*

**27th July**

- 9:00 “Global imbalances and adjustments of the Spanish economy”  
**JAVIER ANDRÉS**  
*University of Valencia, Valencia*
- 10:15 “Overindebtedness of resident sectors and economic development”  
**TANO SANTOS.**  
*Columbia University, Chicago, USA*

11:45 “Analysis of the situation and the effects of indebtedness of non-financial companies before and after the crisis”  
**JUAN ANTONIO MAROTO**  
*Complutense University, Madrid*

13:00 “The financial situation and the wealth of home economics”  
**JUAN FRANCISCO JIMENO**  
*Bank of Spain, Madrid*

#### AFTERNOON SESSION

16:30 “American monetary policy in view of the Great Depression”  
**DAVID LOPEZ SALIDO**  
*Federal Reserve Board, Washington*

17:30 “Monetary policy during the crisis in the Eurozone: Do we need the Central Bank?”  
**MARIA ENCIO**  
*European Central Bank, Frankfurt*

#### 28th July

9:30 “Implications of the Crisis and Challenges for European Retail Banking”  
**ANGEL BERGES / ALFONSO GARCIA**  
*Analistas Financieros Internacionales Group, Madrid*

10:45 “Corporate governance and the regulation of financial institutions in view of the financial crisis”  
**VICENTE SALAS**  
*University of Zaragoza, Zaragoza*

12:30 Closing session  
**MARIO FERNÁNDEZ**  
*President of BBK and the Federation of Basque-Navarre Savings Banks*

*Closing Ceremony*  
**JAIME CARUANA**  
*Bank for International Settlements, Washington, USA*

13.30 Closure  
 Mr. **CARLOS AGUIRRE**  
*Chancellor of the Exchequer Basque Government, Vitoria-Gasteiz*