

## The Centre for International Studies on Economic Growth

University of Rome "Tor Vergata"- Faculty of Economics

The Centre for International Studies on Economic Growth (CEIS), located in the Faculty of Economics, was established in 1987. The aim of CEIS is to promote advanced training and high-quality research in economics, with particular emphasis on international economics and economic development. It organises seminars and conferences, establishes joint programmes with other universities, national institutions and international organisations and organises research in all fields of economics. Research is carried out not only by CEIS members, but also by appointed scholars from other institutions.

The Centre organises four programmes at post-graduate level: three Master programs in Economics, in Economics and Health Management, in Economics and Culture Heritage Management, together with an International Summer School in Economics.

Moreover, the Center is launching a Master program on "International co-operation for development" and a Master program on "Regulatory and competition policies for public utilities' sectors".

CEIS has also organised graduate-level courses at an international level such as the ALFA programme for graduates from Latin American countries.

Since 1989 CEIS has been organising the Villa Mondragone International Economic Seminar, an annual meeting devoted to important economic issues of current interest to the international community. The topics change from year to year. The Seminar represents an important opportunity for Italian and foreign scholars to meet. It also constitutes an open forum for discussing current research and initiatives undertaken by CEIS.

Another important meeting is the International Conference on Financial Economics, organised yearly by CEIS whose aim is to enrich the current debate on economic policy by focusing on aspects of the financial world.

Every year CEIS also organises an International Conference on Economics of Biotechnology in conjunction with the International Consortium of Agricultural Biotechnology Research, the Center of Sustainable Resource Development of the University of California at Berkeley and the Economic Growth Center of Yale University. For the year 2001 the topic of the Fifth International Conference will be "Biotechnology, Science and Modern Agriculture: a New Industry at the Dawn of the Century".

Research activities of CEIS are carried out both by the Centre's own researchers and scholars from outside. The Centre's activities can be easily divided into the following broad sectors: European economy and international integration; welfare and labour market; new technologies; money and finance; public policy; econometric models; regulatory and competition policies.

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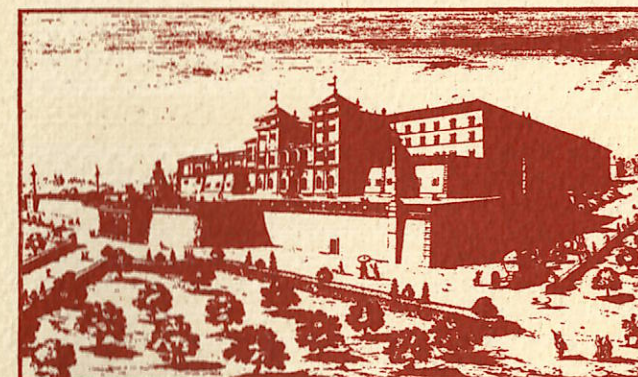
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**CEIS**

CENTER FOR INTERNATIONAL STUDIES ON ECONOMIC GROWTH

## XIII VILLA MONDRAGONE INTERNATIONAL ECONOMIC SEMINAR



UNIVERSITÀ DEGLI STUDI DI ROMA "TOR VERGATA"

VILLA MONDRAGONE XVI SEC.

## "FINANCIAL MARKETS, THE NEW ECONOMY AND GROWTH"

Rome, June 25<sup>th</sup> - 26<sup>th</sup> 2001

Monte Porzio C.  
Villa Mondragone - Salone degli Svizzeri

Objective of the Seminar is to investigate the role of financial markets on investment and growth, focusing on the differences between the development patterns followed by Europe and the United States. These issues have attracted a large interest in recent years because of both the important role that financial markets have played in supporting and stimulating the growth performance of the U.S. in the recent years, and the important transformations that are occurring in the European financial markets.

The relationship between financial development and economic growth and the existence of significant differences in the organization of financial systems raises a series of important questions.

The first question is whether it is possible to determine the types of institutions that are more conducive to growth. Financial systems are the outcome of a complex evolution process that, in turn, is the product of historical accidents, political choices and are themselves influenced by the pattern of economic development. Understanding the financial development-economic growth nexus is therefore particularly difficult and requires the use of historical analyses, empirical methods and theoretical models.

The second closely related question is whether the organization and the operations of financial markets have played a crucial role in the determining the growth and prosperity experienced by the U.S. economy in the last decade. In recent years the U.S. have emerged as the undisputed leader in terms of innovation and technological progress. The Information and Communications Technology revolution has originated from the United States and has determined in this country an investment boom of unprecedented proportions. How much is this investment boom due to the ability of efficient and well organized financial markets to channel funds toward the most innovative and high return projects?

The third problem is to identify and interpret the recent changes in the development of financial markets. Since the end of the eighties financial markets have undergone a process of deep transformation in all industrialized countries, ranging from the stimuli to the development of bond and stock markets, the creation of new markets for derivatives, to the privatization of intermediaries, the liberalization of banks, the lowering of reserve requirements, the abandonment of administrative controls etc.

A fourth important question is what are the effects for investment and growth of the different corporate governance structures that prevail in the various countries. The recent literature on corporate governance has argued that in the U.S. and the U.K. the mechanisms for insuring that managers operate in the interests of shareholders are the strongest. Internal and external governance systems are often cited as being responsible for this. In continental Europe the interests of shareholders are pursued, but not exclusively. Very often the interests of other stakeholders like employees or the government are important. The different proportions in which these alternative forms of economic organizations are present in different countries may have important effects on the governance structure of their economies.

## Monday, June 25th

- 10.00 *Registration of Participants*  
 10.15 *Welcoming Address*  
 A. FINAZZI AGRO', Rector, University of Rome "Tor Vergata"  
 L. PAGANETTO, Dean, Faculty of Economics, University of Rome "Tor Vergata"

### FIRST SESSION

#### The Macroeconomics of Finance and Growth: Theoretical and Empirical Issues (1)

- 10.30 *International Competitiveness, the New Economy and Growth in the G7 Countries*  
 D. SALVATORE, Fordham University, New York  
 11.00 *Ingredients for the New Economy: How Much does Finance Matter?*  
 S. ROSSI, Banca d'Italia  
 11.30 *A Model of Innovation and Growth?*  
 B. AMABLE, CEPREMAP, Paris

- 12.00 *Contributions of Financial Systems to Growth in OECD Countries*  
 M. LEAHY, OECD, Paris

- 12.30 *Financial Deepening Trade Openness and Growth: a Multivariate Cointegrate Analysis of the Complementary Effects*  
 S. GINEBRI, L. SABANI and G. PETRIOLI, University of Rome "La Sapienza"

- 13.00 Discussion

- 13.30 Lunch

### SECOND SESSION

#### The Macroeconomics of Finance and Growth: Theoretical and Empirical Issues (2)

- 14.30 *Asset Valuation, Liquidity and Growth Regimes*  
 J.P. FITOUSSI, OFCE, Paris and J.L. GAFFARD, University of Nice Sophia Antipolis, Valbonne and OFCE, Paris  
 15.00 *Factor Saving Innovation*  
 D. LEVINE, UCLA, Los Angeles and M. BOLDRIN, University of Minnesota

- 15.30 *ICT "Bottlenecks", Financial Markets and Growth*  
 L. BECCHETTI and F. ADRIANI, University of Rome "Tor Vergata"

- 16.00 *Does Financial Sector Development Bring Growth and Stability?*  
 P. WACHTEL, Stern School of Business, New York University

- 16.30 *Financial Structures and Growth Regimes*  
 F. BELLONE and M. DAL-PONT, CNRS, Valbonne

- 17.00 Discussion

## Tuesday, June 26th

### THIRD SESSION

#### Stock Market, Microstructure and Innovation (1)

- 9.30 *Capital Market Imperfections, High-Tech Investment and New Equity Financing*  
 R. CARPENTER, UMBC, Baltimore and B. PETERSEN, Washington University in St. Louis

- 10.00 *Organization of Stock Exchanges and Productivity*  
 I. HASAN, Institute of Technology and Bank of Finland

- 10.30 *Finance, Technology and Risk*  
 L. PAGANETTO and P.L. SCANDIZZO, University of Rome "Tor Vergata"

- 11.00 *Marginal Q, Tobin's Q, Cash Flow and Investment*  
 D.C. MUELLER, K. GUGLER and B. YURTOGLU, University of Vienna

### FOURTH SESSION

#### Stock Market, Microstructure and Innovation (2)

- 11.30 *Growth Cycles and Market Crashes*  
 M. BOLDRIN, University of Minnesota and D. LEVINE, UCLA, Los Angeles

- 12.00 *Financial Structure and Heterogeneity of Beliefs: Implications for the Financing of Innovation*  
 B. OLIVIER and M. DAL-PONT, LATAPSES, CNRS, Valbonne

- 12.30 *Small Firms and the Internet*  
 G. FERRI, University of Bari, M. GALEOTTI, University of Bergamo and O. RICCHI, Italian Ministry of Treasury

- 13.00 *IPOs and the Growth of Firm*  
 G. CLEMENTI, Carnegie Mellon University, Pittsburgh

- 13.30 Lunch

- 14.30 TAVOLA ROTONDA  
 "Quale ruolo del mercato finanziario per lo sviluppo della new economy in Italia ed Europa?"

Partecipano:

Renato BRUNETTA (Università "Tor Vergata" e Parlamento europeo), Gianpaolo GALLI (Confindustria), Stefano MICOSSI (Assonime), Nicola ROSSI (Università "Tor Vergata" e Camera dei Deputati), Mario SARCINELLI (Università "La Sapienza").

Conclude il Vice Ministro dell'Economia, Mario BALDASSARRI