



## Understanding financial market effectiveness: New approaches

### Program

#### Friday, 19 February

- 12:00 – 12:50 Registration and refreshments
- 12:50 – 13:00 Introduction
- Christopher Woolard**, Director of Strategy and Competition, FCA
- 13:00 – 15:00 (Over?)-paying for efficient markets
- Joseph Stiglitz** (Columbia)  
*The Increasing Disparity Between Social and Private Returns in Finance: Causes, Consequences, and Responses*
- Discussant: John Muellbauer (Oxford)
- Eric Budish** (Chicago), Peter Cramton (U. of Maryland), and John Shim (Chicago)  
*A Market Design Approach to the HFT Debate*
- Discussant: Carla Yusui (FCA)
- 15:00 – 15:30 Refreshment break
- 15:30 – 17:30 Market efficiency and effectiveness in the long run
- Guillaume Bazot** (PSE)  
*Financial Consumption and Cost of Finance*
- Discussant: Andreas Uthemann (LSE)
- Kevin R. James** (LSE, FCA), Akshay Kotak (Oxford), and Dimitri Tsomocos (Oxford)  
*Corporate Governance, Financial Crises, and TFP Growth in the US: 1840 – 2014*
- Discussant: Udara Peiris (HSE, Moscow)
- 17:30 – 18:30 Reception

## Saturday, 20 February

- 08:30 – 09:00 Registration and refreshments
- 09:00 – 10:30 Competition and financial regulation
- Matteo Acquilina** (FCA)  
*Are Wholesale Markets Working Well?: Examples from FCA Research*
- Robin Finer** (FCA)  
*Competition in Wholesale Financial Markets*
- 10:30 – 10:45 Refreshment break
- 10:45 – 11:45 Keynote address
- Luigi Zingales** (Chicago)  
*Does Finance Benefit Society?*
- 11:45 – 12:30 Lunch
- 12:30 – 14:00 Market-Based Finance
- James Sweeney** (CSFB)  
*Shadow Banking Evolves*
- Diego Valiante** (CEPS)  
*Overcoming European Fragmentation in Market-Based Finance: What Stands in the Way?*
- Joint Discussant: Raghu Rao (Cambridge)
- 14:00 – 14:15 Refreshment break
- 14:15 – 15:15 Closing remarks
- John Kay** (LSE and FT)  
*The Real Business of Finance*
- 15:15 Conference Close

## Speaker Biographies

**Matteo Aquilina** is a Manager in the Chief Economist's Department of the Financial Conduct Authority. In this role he focuses on issues relating to wholesale financial markets. He is the FCA representative on ESMA's Committee of Economic and Markets' Analysis (CEMA). Matteo holds a MSc in Economics from the University of Oxford and a PhD in Economics from the University of Rome.

**Guillaume Bazot** holds a Ph.D. in Economics from the Ecole des Hautes Etudes en Sciences Sociales (EHESS) and Paris School of Economics. He is a Maître de Conférence (Assistant Professor) in the Department of Economics at Université Paris 8 since 2014. His research focuses on Economic History and Financial Macroeconomics, with a particular interest in monetary policy and financial regulation.

**Eric Budish** is Professor of Economics and the Richard N. Rosett and David G. Booth Faculty Fellow at the University of Chicago, Booth School of Business. Budish's research is on market design: designing the "rules of the game" in a market so that self-interested behavior by market participants leads to economically attractive outcomes. Budish's research has spanned a wide variety of market design contexts, including the design of financial exchanges, matching markets, patent design, school choice procedures, and the market for event tickets. Budish's research on high-frequency trading and the design of financial exchanges received the AQR Insight Award and the Leo Melamed Award and has been discussed in major policy addresses by the NY Attorney General and the SEC Chair. Budish's research on patent design and cancer R&D received the Kauffman/iHEA Award for Health Care Entrepreneurship and Innovation Research. Budish received his PhD in Business Economics from Harvard University, his MPhil in Economics from Oxford (Nuffield College), and his BA in Economics and Philosophy from Amherst College. Prior to graduate school, Budish was an analyst at Goldman Sachs. Budish's honors include the Marshall Scholarship and the Sloan Research Fellowship.

**Robin Finer** is the Head of the Wholesale & Investment Department in the Competition division, having joined the FCA in January 2014. Prior to working at the FCA, Robin was a Director of Economic Analysis at the Competition Commission, where he worked on mergers, market investigations and regulatory inquiries across a wide range of sectors. He has also worked as a Project Director and economist at the Office of Fair Trading and in the Directorate General for Competition of the European Commission.

**Kevin James** is the research coordinator for the FCA's Chief Economist's Department and a research fellow at the LSE's Systemic Risk Centre and Financial Markets Group. His research focuses upon corporate finance, market efficiency, and systemic risk. He obtained his PhD in Economics at UCLA and his BA from Swarthmore College.

**John Kay** is an economist whose career has spanned the academic world, business and public affairs. Currently, he is a visiting Professor of Economics at the London School of Economics, a Fellow of St John's College, Oxford. He is a Fellow of the British Academy and of the Royal Society of Edinburgh. He is a director of several public companies and contributes a weekly column to the Financial Times. He recently chaired the Review of UK Equity Markets and Long-Term Decision-Making which reported to the Secretary of State for Business, Innovation and Skills in July 2012. He is the author of many books, including *The Truth about Markets* (2003), *The Long and the Short of It: finance and investment for normally intelligent people who are not in the industry* (2009) and *Obliquity* (2010). His latest book, *Other People's Money – towards a financial system for the needs of the economy rather than financial market participants* – published by Profile Books and (in North America) by PublicAffairs in September 2015.

**Joseph E. Stiglitz** is an American economist and a professor at Columbia University. He is also the co-chair of the High-Level Expert Group on the Measurement of Economic Performance and Social Progress at the OECD, and the Chief Economist of the Roosevelt Institute. A recipient of the Nobel Memorial Prize in Economic Sciences (2001) and the John Bates Clark Medal (1979), he is a former senior vice president and chief economist of the World Bank and a former member and chairman of the (US president's) Council of Economic Advisers. In 2000, Stiglitz founded the Initiative for Policy Dialogue, a think tank on international development based at Columbia University. He has been a member of the Columbia faculty since 2001 and received that university's highest academic rank (university professor) in 2003. Based on academic citations, Stiglitz is the 4th most influential economist in the world today, and in 2011 he was named by *Time* magazine as one of the 100 most influential people in the world. Known for his pioneering work on asymmetric information, Stiglitz's work focuses on income distribution, asset risk management, corporate governance, and international trade. He is the author of numerous books, and several bestsellers. His most recent titles are *Rewriting the Rules of the American Economy: An Agenda for Growth and Shared Prosperity* and *The Great Divide: Unequal Societies and What We Can Do About Them* (2015).

**James Sweeney** is a Managing Director of Credit Suisse in the Investment Banking division, based in New York. He is the Chief Economist for the Investment Bank and Co-Head of Global Economics and Fixed Income Strategy. He heads both the US Economics team and the Global Strategy and Economics team. James joined Credit Suisse in 2000, having previously worked as a political speechwriter. James holds an MSc in economics from the London School of Economics and a BS magna cum laude from Florida State University. He is a member of the Council on Foreign Relations, the Economic Club of New York, and a John C. Whitehead Fellow of the Foreign Policy Association.

**Diego Valiante**, Ph.D. is Head of Financial Markets and Institutions at the Brussels-based EU think-tank, the Centre for European Policy Studies (CEPS). He is also member of the Group of Economic Advisers (GEA) of the European Securities and Markets Authority (ESMA) and visiting fellow at the School of European Political Economy at LUISS University (Rome). Diego has been advising European institutions, international organisations, central banks and institutional investors. His research interests focus on financial governance, financial integration, banking union, financial market structure, central banking, trading regulation (MiFID II and EMIR) and commodity market structure. On top of his two degrees in Business economics and Economic analysis of law (summa cum laude), Diego holds a Ph.D. from LUISS Guido Carli University (Rome) and a joint LL.M. from Bologna and Rotterdam universities in Law and Economics. In 2011, Financial News (Dow Jones) listed him among the "Top 40 Rising Stars in Trading and Technology in EMEA" under the age of 40. Twitter: @diegovaliante

**Christopher Woolard** is Director of Strategy and Competition, and an Executive Board member at the Financial Conduct Authority. He is responsible for policy, strategy, competition, consumer issues, the Chief Economist's department, communications, data and market intelligence. He is chair of the FCA's Policy Steering Committee and a non-executive board member of the Payment Systems Regulator. Christopher joined the FCA in January 2013 as Director of Policy, Risk and Research. Prior to this he was Group Director and Content Board member at Ofcom. He has spent most of his career in regulation or policy development including working at the BBC and as a senior civil servant at the Department of Trade and Industry. Christopher is a Sloan Fellow of London Business School.

**Luigi Zingales** is the Robert C. McCormack Distinguished Service Professor of Entrepreneurship and Finance at the University of Chicago Booth School of Business. He

is a Research Associate of the National Bureau of Economic Research, a Research Fellow of the Center for Economic Policy Research, and a Fellow of the European Corporate Governance Institute. In 2005-6 and again in 2014-15 he held the prestigious Taussig Research Professorship at Harvard University. In July 2015 he became the director of the Stigler Center at the University of Chicago. His research interests span from corporate governance to financial development, from political economy to the economic effects of culture. He has published extensively in the major economics and financial journals. In 2003 he wrote with Raghuraj Rajan a book entitled *Saving Capitalism from the Capitalists*, which has been acclaimed as "one of the most powerful defenses of the free market ever written." In 2012 he wrote *A Capitalism for the People*, which the *Financial Times* described as a "stimulating essay on the nature of American capitalism and the issues that will determine the pace of America's relative decline." In 2004, Zingales received the Bernacer Prize for the best European young financial economist. In 2013 he was named founding director of the Center for Economic Analysis of the PCAOB. In 2014 he served as President of the American Finance Association.