10 Years after the Failure of Lehman Brothers: What have we learned?

Agenda for the NAEC and Partners for a New Economy Conference

14 September 2018, OECD Conference Centre, CC4, 9:30-18:00

This conference brings together some of the leading actors in the crisis to debate what caused it the crisis; its economic, social and political impacts; and how the financial system has changed, or should change. The state of economics after the crisis will also be discussed. While economic growth has recovered, there remain vulnerabilities and risks, and therefore, economists and policy makers need to improve the way we understand the functioning and purpose of the economy.

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OECD NAEC and Partners for a New Economy Conference

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9:30 – 10:00 Opening by the Secretary General Angel Gurría

10:00 – 11:30 Session 1: The failure of Lehman Brothers and the causes of the financial crisis

The 2008 crisis was caused by a failure to run and to regulate the global economy and the firms that dominate it. This allowed huge imbalances to build up, and, when they reached a tipping point where they could no longer sustain their own weight, failure was sudden and brutal. The crisis revealed how some of the very strengths that had allowed the economy to expand, such as interconnectedness in its many guises, could be just as potent in provoking or aggravating its downfall. In this panel, key players in the crisis will draw lessons from what was happening in the financial system and how their institutions reacted.

Chair: John Kay, Financial Times

Keynote Address: Jean-Claude Trichet, Former ECB President

Panelists:
- Irena Sodin, Ambassador to the OECD, Permanent Representative
- John Llewellyn, Former Chief Global Economist, Lehman Brothers
- Greg Medcraft, Director of OECD Directorate for Financial and Enterprise Affairs

11:30 – 11:45 Break

11:45 – 13:00 Session 2: The Financial System 10 years on

The crisis showed that banks and financial market are not simply intermediaries between economic agents like companies and investors, and that they have an impact on the real economy in their own right. This prompts questions about whether finance and investment can be used to drive job creation and income growth and act as a conduit for the global diffusion of innovation, expertise and the funding all these depend on. This panel will also discuss whether regulators and other actors have applied the lessons of the last crisis and whether the system is now more resilient.

Chair: John Kay, Financial Times

Keynote Address: Willem Buiter, Special Economic Adviser, Citi

Panelists:
- Steve Keen, Professor of Economics and author of Can we Avoid Another Financial Crisis?
- Mathilde Mesnard, Deputy Director of the OECD Directorate for Financial and Enterprise Affairs
- Erdem Basci, Ambassador, Permanent Delegation of Turkey to the OECD

13:00 – 14:00 Lunch
14:00 - 14:45  **Keynote speech: “Lessons from 2008 for beyond 2018”**

Introduction by Sony Kapoor, Managing Director, Re-Define
Yanis Varoufakis, Economist and former Greek Minister of Finance

14:45 – 16:15  **Session 3 : The Social Fallout of the Crisis**

The financial crisis showed that the benefits of economic growth do not trickle down automatically. The long period of expansion before 2008 was characterised by growing inequalities of income, wealth and opportunities. Our economic systems, with all their strengths and advantages, have been producing and perpetuating social disparity for decades, and inequality has widened since the crisis. This has fuelled the perception that those who caused the crisis were saved by governments at the expense of those who suffered. Discussion will centre on the causes of popular discontent and what can be done to mend the damage to the social fabric and to encourage constructive political debate.

Chair: Gabriela Ramos, Chief of Staff and Sherpa
Panelists:
- Michael Jacobs, Director, Commission on Economic Justice, Institute for Public Policy Research (IPPR)
- Robert Skidelsky, Professor of Political Economy, University of Warwick
- Erika Widegren, Chief Executive, Re-imagine-Europa

16:15 – 16:30  Break

16:30 – 18:00  **Session 4 : Economics After the Crisis**

The dominant school of economic thought prior to the crisis essentially saw the economy as a machine that could be modelled and understood using general equilibrium models and representative agents behaving rationally to maximise value. This machine almost always operated at its optimal speed, producing outputs in an almost totally predictable, linear way, under the close control of its policy operators, unless it was hit by external shocks. Did the crisis discredit the analyses based on this view and the policy advice it generated?

Chair: Martine Durand, Chief Statistician and Director of Statistics and Data, OECD
Keynote Speaker: Maurice Obstfeld, Chief Economist of the IMF
Panelists:
- Eric Beinhocker, Executive Director of the Institute for New Economic Thinking (INET) Oxford
- Maeve Cohen, Director, Rethinking Economics
- William White, Economist, former Chair of the Economic Development Review Committee (EDRC)