

FIFTEENTH  
ANNUAL  
STAVROS  
NIARCHOS  
FOUNDATION  
LECTURE

Monday, April 20, 2015

# CHALLENGES FOR EMERGING ECONOMIES' CENTRAL BANKS

in the Face of Quantitative Easing in Advanced Economies

**AGUSTÍN CARSTENS**

Governor of the Bank of Mexico



Peterson  
Institute for  
International  
Economics

ΙΣΝ / SNF

ΙΔΡΥΜΑ ΣΤΑΥΡΟΣ ΝΙΑΡΧΟΣ  
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# About

## THE STAVROS NIARCHOS FOUNDATION LECTURE SERIES

The annual *Stavros Niarchos Foundation Lecture Series* at the Peterson Institute was established in 2001 through the generous support of the Stavros Niarchos Foundation. The Series enables the Institute to present a leader of world economic policy and thinking for a major address each year on a topic of central concern to the US and international policy communities. The Series' inaugural lecture was delivered by Alan Greenspan, former chairman of the Federal Reserve Board, in 2001. The list of subsequent speakers includes Ernesto Zedillo, former president of Mexico, in 2003; Lawrence H. Summers, former director of the White House National Economic Council, in 2004; Long Yongtu, former vice minister of China's Ministry of Foreign Trade and Economic Cooperation, in 2005; Mario Monti, former Prime Minister of Italy, in 2006; Heizo Takenaka, former minister for economic policy of Japan, in 2007; Petr Aven, former president of Alfa Bank, in 2008; Nandan M. Nilekani, former co-chairman of the Board of Directors, Infosys Technologies, LTD, in 2009; Niall Ferguson, Laurence A. Tisch Professor of History, Harvard University, in 2010; John Lipsky, former first deputy managing director of the International Monetary Fund, in 2011; Jean-Claude Trichet, former president of the European Central Bank, in 2012; C. Fred Bergsten, the Institute's co-founder, in May 2013; Antonis Samaras, former Prime Minister of Greece, in October 2013; and Mari Elka Pangestu, former Minister of Tourism and Creative Economy of Indonesia, in 2014.

The Stavros Niarchos Foundation ([www.SNF.org](http://www.SNF.org)) is one of the world's leading private international philanthropic organizations,

making grants in the areas of arts and culture, education, health and sports, and social welfare. The Foundation funds organizations and projects that are expected to achieve a broad, lasting and positive impact for society at large, and exhibit strong leadership and sound management. The Foundation also seeks actively to support projects that facilitate the formation of public-private partnerships as an effective means for serving public welfare.

From 1996 until today, the Stavros Niarchos Foundation has made grant commitments of \$1.57 billion / €1.20 billion, through 2,836 grants to nonprofit organizations in 111 nations around the world.

In 2012 and 2013, the Foundation announced two new initiatives of €100,000,000 (\$130 million) each, to help the efforts to address the crisis in Greece. While the initiative in 2012, which has been completed, aimed to provide immediate relief against the adverse effects of the deepening crisis, the one in 2013 aims to address the high percentage of youth unemployment, seeking to create better employment prospects and new opportunities for the young.

The Foundation's largest single gift (\$796 million / €566 million) is the Stavros Niarchos Foundation Cultural Center (SNFCC), in Athens, which is expected to be completed in 2016. The project, designed by Renzo Piano, includes the new facilities of the National Library of Greece, and of the Greek National Opera, as well as the Stavros Niarchos Park. The SNFCC is a testament and a commitment to the country's future. It is also an engine of short- to mid-term economic stimulus.

# Program

5:30 p.m.

## WELCOME

**Adam S. Posen**

*President, Peterson Institute for International Economics*

**Peter G. Peterson**

*Chairman, Peterson Institute for International Economics*

**Andreas C. Dracopoulos**

*Director and co-President, Stavros Niarchos Foundation*

## LECTURE and Q & A

**Agustín Carstens**

*Governor of the Bank of Mexico*

6:45 p.m.

## RECEPTION

In the Anthony M. Solomon Sculpture Garden

7:15 p.m.

## DINNER

8:30 p.m.

## CLOSING

**Adam S. Posen**

*President, Peterson Institute for International Economics*

**Peter G. Peterson**

*Chairman, Peterson Institute for International Economics*


# About AGUSTÍN CARSTENS



Agustín Carstens is the Governor of the Banco de México. He was appointed to the position in January 2010. In February 2015, he was selected by the members of the International Monetary and Financial Committee (IMFC), the policy advisory committee of the International Monetary Fund (IMF), as Chairman of the committee for a term of three years, effective March 23, 2015.

Dr. Carstens began his professional career in 1980 at the Banco de México, where he held many positions at the central bank's International Department, Economic Research Department, and the Office of the Governor. From December 2006 until December 2009, Dr. Carstens was the Minister of Finance of Mexico. Prior to becoming Minister of Finance, he was invited by Mexico's elected President Felipe Calderón to join his transition cabinet as chief economic coordinator. In that capacity, Dr. Carstens was in charge of framing the new administration's economic and financial program. He served as Deputy Finance Minister of Mexico from 2000 to 2003.

While serving as Minister of Finance, Dr. Carstens also chaired the IMF and World Bank Joint Development Committee from March 2007 to October 2009. He was formerly a Deputy Managing Director of the IMF, responsible for handling the IMF's relationship with nearly 70 member countries, from 2000 to 2003. He previously served as Executive Director at the IMF, representing the casting votes of Spain, Mexico, Central America, and Venezuela within the organization.

The background of the slide features a grid of large, bold numbers (0-9) arranged in rows and columns. The numbers are rendered in a dark blue color against a lighter blue and grey gradient background. The numbers are slightly blurred and have a soft glow, giving the impression of a digital or data-driven environment.

Dr. Carstens is universally recognized as one of the leading central bankers and emerging-market economic statesmen of our time. He is a member of the Steering Committee of the G-20 Financial Stability Board (FSB) and a board member of the Bank for International Settlements, where he chairs its Global Economy Meeting of central bank governors and the Economic Consultative Committee. Since April 2013, he has been chairman of the FSB Standing Committee on Assessment of Vulnerabilities, which is responsible for monitoring and assessing vulnerabilities affecting the global financial system.

Born in Mexico City, Dr. Carstens obtained his BA degree in economics *summa cum laude* from the Instituto Tecnológico Autónomo de México (ITAM) in 1982 and an MA degree (1983) and a PhD (1985) in economics from the University of Chicago. In June 2013, he received the Professional Achievement Award as a distinguished alumnus from the University of Chicago. In December 2011, *The Banker* named him Central Bank Governor of the Year for 2012—both Global and for the Americas. In October 2013, *Euromoney* named him Central Bank Governor of the Year for 2013.



# About

## THE PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS

The Peterson Institute for International Economics is a private, nonprofit institution for rigorous, intellectually open, and in-depth study and discussion of international economic policy. Its purpose is to identify and analyze important issues to make globalization beneficial and sustainable for the people of the United States and the world, and then to develop and communicate practical new approaches for dealing with them. The Institute is widely viewed as nonpartisan.

The Institute attempts to anticipate emerging issues and to be ready with practical ideas, presented in useful and accessible formats, to inform and shape public debate. Its audience includes government officials and legislators, business and labor leaders, management and staff at international organizations, university-based scholars and their students, experts at other research institutions and nongovernmental organizations, the media, and the public at large. It addresses these groups globally from its base in Washington, DC.

The Institute's staff of about 60 includes 20 senior researchers, as well as a dozen non-resident fellows, all distinguished for their combination of research productivity and policy experience. The Institute's agenda emphasizes international trade and investment, international finance and exchange rates, macroeconomic policy and crisis response, globalization and human welfare, and area studies of key economic regions. Institute staff have unique expertise on the major economies with special reference to China, the European Union, India, Japan, Korea, Russia, and the Middle East, as well as the United States itself and its NAFTA partners.

Current priorities include global supply chains and multinational investment; the growing role of China in the world economy; globalization, inequality, and unemployment; the recurrence of financial crises especially the banking and monetary forces; the economic dimensions of the Arab Spring; national and international financial regulations; trade



negotiations at the multilateral, regional, and bilateral levels; and possible reforms of the international monetary system.

Institute studies have helped provide the intellectual foundation for many of the major international policy initiatives of the past three decades: reforms of the International Monetary Fund (IMF), including those initiated by the G-20 in 2009–10; adoption of international banking standards and broader financial regulatory reforms; the Asia Pacific Economic Cooperation (APEC) forum and Trans-Pacific Partnership; the restoration and then extension of trade promotion authority in the United States; the development of the World Trade Organization; the North American Free Trade Agreement (NAFTA) and other US free trade agreements (including with Korea notably); initiation and implementation of the Strategic and Economic Dialogue between the United States and China; a series of United States–Japan negotiations; reform of US sanctions policy; liberalization of US export controls and export credits; and specific trade issues such as permanent normal trade relations (PNTR) for China in 2000 and Russia in 2012.

Other influential analyses have addressed: economic reform in Europe, Japan, the former communist countries, and Latin America

(including what became known as the Washington Consensus); the social impact of globalization; outsourcing; corruption; foreign direct investment both into and out of the United States; international environmental policy; measures of currency manipulation and of equilibrium exchange rates; and the sources and growth of services trade.

An outstanding and devoted Board of Directors has guided the development of the Institute throughout its history. Peter G. Peterson, co-founder and chairman emeritus of the Blackstone Group and former US secretary of commerce, was founding chairman and remains in that role today. George David, former chairman and chief executive officer of United Technologies Corporation, is vice chairman of the Board. James W. Owens, chairman and chief executive officer emeritus, Caterpillar Inc., is chairman of the Executive Committee. The other members of the Institute Board's Executive Committee are C. Fred Bergsten, senior fellow and director emeritus, Peterson Institute for International Economics; Andreas C. Dracopoulos, co-president, board of directors, Stavros Niarchos Foundation; Jessica Einhorn, former dean of the School of Advanced International Studies at Johns Hopkins University and

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The Institute celebrated its 25th anniversary in 2006 and adopted its new name at that time, having previously been the Institute for International Economics. In 2001 it moved into its new building, which received an Award of Excellence for Extraordinary Achievement in Architecture by the American Institute of Architects and a Best Architecture in Washington Award by the *Washington Business Journal*.

# Praise FOR THE INSTITUTE

“There is no institute anywhere in the world...that comes close to having the breadth and depth that the [Peterson] Institute for International Economics has in its devotion to international economic studies all over the world.”

STUART EIZENSTAT, *Former Deputy Secretary of the Treasury and Undersecretary of State*

“No one has led analysis and discussion of international economics like the Peterson Institute.”

TOM KEENE, *Host of Bloomberg “Surveillance”*

“...research institutes vary widely in both quality and honesty. Among the best on both counts is the [Peterson] Institute for International Economics.”

PAUL R. KRUGMAN, *Professor of Economics and International Affairs, Woodrow Wilson School, Princeton University*

“The Peterson Institute does the single best job of think tanks in this town, hands down, of having the best audience. The discussions that go on here are tremendous.”

MAYA MACGUINEAS, *President of the Committee for a Responsible Federal Budget*

“[The Peterson Institute for International Economics] addresses, in a serious way, not only international economic issues, but how they impact people’s lives in various economies. I commend you for that.”

THOMAS (MACK) MCLARTY, *President of McLarty Associates and Special Envoy for the Americas during the Clinton Administration*

“In terms of [the Peterson Institute for International Economics] ability to shape policy discussion and influence the outcome, there isn’t an organization outside government that can touch it.”

STEVE PEARLSTEIN, *Washington Post*

“This is a really unique platform for challenging brainstorming and intellectual exchanges.”

ANTONIS C. SAMARAS, *former Prime Minister of the Hellenic Republic*

“I don’t think there have been many institutions outside the government, if any, that have had the same kind of impact on global economic thinking as the [Peterson] Institute for International Economics.”

LAWRENCE H. SUMMERS, *Charles W. Eliot University Professor and President Emeritus at Harvard University, former Secretary of Treasury and Director of the National Economic Council*



...the emblematic think tank of our time.”

JEAN-CLAUDE TRICHET, *Chairman of the Group of Thirty; former President, European Central Bank; former Governor, Banque de France; former Director of the Treasury, government of France*

“One of the things that has always astounded me about [the Institute] is they always have a book coming out about the subject that you just realized was important.”

DAVID WESSEL, *Wall Street Journal and Brookings Institution*

“...without any doubt the preeminent organization in the world operating outside government and outside universities...in analysis of international economic problems. Its publications over the years have been an invaluable reference source for all journalists working the field...”

MARTIN WOLF, *Chief economics commentator, Financial Times*

“One of the reasons I’ve enjoyed being at the Peterson Institute [for International Economics] is that you find places that will now and then have policy proposals and some that do scholarship. It is very rare to find one that really combines the two in a very effective way.”

ROBERT B. ZOELLICK, *Chairman, International Country Advisors, Goldman Sachs & Company*

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# Previous Stavros Niarchos Foundation Lecturers

**April 29, 2014**

MARI ELKA PANGESTU

*then Minister of Tourism and Creative Economy for the Republic of Indonesia*

**October 1, 2013**

ANTONIS C. SAMARAS

*then Prime Minister of the Hellenic Republic*

*(Special Fall Edition of the Annual Stavros Niarchos Foundation Lecture)*

**May 16, 2013**

C. FRED BERGSTEN

*Senior Fellow and Director Emeritus,*

*Peterson Institute for International Economics*

**MAY 17, 2012**

JEAN-CLAUDE TRICHET

*former President of the European Central Bank,*

*former Governor of Banque de France,*

*Chairman of the Group of Thirty*

**MAY 19, 2011**

JOHN LIPSKY

*then Acting Managing Director of the International Monetary Fund*

**MAY 13, 2010**

NIALL FERGUSON

*Laurence A. Tisch Professor of History at Harvard University*

**MAY 7, 2009**

NANDAN M. NILEKANI

*then co-Chairman of the Board of Directors, Infosys Technologies, LTD,*

*and Chairman of the Unique Identification Authority of India*

**MAY 8, 2008**

PETR AVEN

*then President of Alfa Bank*

**MAY 9, 2007**

HEIZO TAKENAKA

*former Minister for Economic Policy of Japan*

**MAY 8, 2006**

MARIO MONTI

*then former Commissioner of the European Union*

**MAY 23, 2005**

**LONG YONGTU**

*former Vice Minister of China's Ministry of Foreign Trade and Economic Cooperation*

**MARCH 23, 2004**

**LAWRENCE H. SUMMERS**

*Charles W. Eliot University Professor and President Emeritus at Harvard University, former Secretary of Treasury and Director of the National Economic Council*

**MAY 19, 2003**

**ERNESTO ZEDILLO**

*former President of Mexico*

**OCTOBER 24, 2001**

**ALAN GREENSPAN,**

*then Chairman of the Federal Reserve Board*



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