

**Conference on  
Financial Networks: Big Risks, Macroeconomic Externalities, and Policy Commitment  
Devices**

**Date:** February 23-24, 2018

**Location:** Columbia University, Uris Hall, Calder Lounge

**Theme:** *The objective of the conference is to exchange perspectives on the risks posed by financial networks, and the role these networks play in the well-functioning of the real economy. The large number of research efforts that emerged after the global financial crisis highlighted the risks of full diversification and the importance of network structure and macroeconomic externalities, especially when the economy faces big risks. Major regulatory organizations worried ex-post about the risk of contagion, but did not have ex-ante a macroeconomic model which reflected contagion.*

*While our understanding of some of the main risks (too-big-to-fail, too-interconnected-to-fail, and too-correlated-to-fail) imposed by financial networks has improved in the last decade, significant gaps still exist. We lack adequate theories of network formation, and we do not have sufficient confidence in the design of optimal regulatory structures.*

The talks in this conference will illuminate on topics such as (I) contagion risk mechanisms in networks, (II) the stabilizing role of clearinghouses, (III) production networks and the spill-over effects to the real economy, (IV) endogenous networks, (V) optimal regulatory structure, and (VI) Moral Hazard and too correlated to fail risks.

The conference will begin at 9:00 am on Friday, February 23 and end with lunch on Saturday, February 24.

The conference is being sponsored by the Institute for New Economic Thinking (INET) and Columbia University's Taskforce on Financial Networks and Macro-economic Externalities. The program chairs for the conference are Joseph Stiglitz, Agostino Capponi, and Martin Guzman. Gabriela Plump at [gp2535@gsb.columbia.edu](mailto:gp2535@gsb.columbia.edu) is the Program Manager. Participation is by invitation only.