

In partnership with



## CALL FOR PAPERS

International Conference

### **Public Authority and Finance: What is the Relevant Scale and Scope of Deregulation and Re-Regulation?**

**Paris, September 1 and 2, 2017**

Deadlines - save the date:

Abstract submission by **February 15, 2017**

Full paper by **July 15, 2017**

This conference seeks to contribute to the ongoing research into financial regulation, combining approaches by economists, legal experts, political scientists, geographers and historians. It aims to adopt an empirical approach from a comparative and historical perspective to characterize *public authority* and its relationship to the financial sector.

Since the late 1960s, major changes have taken place in this relationship: the Chicago school of economics and public choice theory have challenged the legitimacy of government action; progress in communications and convergence of technological levels between countries and territories have undermined national regulations; jurisdictions engage in regulatory

competition to attract resources; representative democratic politics is often captured by financial interests, etc.

The broad concepts of *deregulation* and *globalization* are usually viewed as the main processes that have led to the dismantling of the authority of nation-states while new regulatory entities have emerged, with the financial sector playing a leading role in these phenomena. For instance, capital controls were substantially lowered during the 1980s, while some regulatory areas have been delegated to supranational bodies such as the Basel committee on banking supervision or the International Accounting Standards Board. Since the 2008 crisis, national governments have regained some initiative in exercising public authority over finance, as with the Dodd-Frank Act in the US, or the set of normative texts adopted by the European Union during the term of EU Commissioner Barnier. Many initiatives are still being driven by international bodies such as the G20 or the Financial Stability Board, while some regulatory power is being delegated to foreign authorities under “equivalence regimes” justified by international frameworks. These complex developments suggest that national governments are no longer the only relevant decision-making level, and that regulation is not only a matter of competition. As a result, views about “regulatory competition” might be flawed because they wrongly focus too much on *competition* between *national* public authorities.

Interdisciplinary research is essential to understanding the dislocation and the reconstitution of public authority, in order to shed light on: legal and institutional changes; the behavior of actors that makes such changes possible; the scientific and electoral arguments put forward concerning regulation; the economic consequences of regulatory change and their perception by the public; and also the emergence of a new regulatory geography based on national governments, international agreements and international bodies. In place of a fragmented world of nationally-partitioned zones, a heterogeneous continuum is emerging in which the authority of public agencies acts within a global jurisdiction: for example when a French bank is fined in New York for dollar operations in Africa and Asia. The topology of such pan-national regulation needs to be made intelligible, and its political legitimacy assessed, especially in view of rising nationalist politics.

Overall, developments since the crisis thus suggest there is still the need for future changes in order to realign the interests of finance with the broader interests of national and global economies, as well as the public interest more generally.

We invite papers from different disciplines to examine three main areas, to understand better the various aspects of the relationship between public authority and finance today:

### **1. Ideology, Technology and Regulatory Effectiveness**

This area covers the ideological justifications of deregulation (public choice, corruption and political distortions), and the technological developments permitting rules to be circumvented: well before “fintech” became fashionable, alternative exchange platforms had undermined market regulation and given rise to high frequency trading. Now, unregulated cryptocurrencies evade money laundering regulations, etc. Precise timelines of the relations between

these technological (or ideological) changes and their legal consequences (like the repeal of the Glass-Steagall Act) are required. More generally, it may be asked on what political-theoretical grounds public authority should act today?

## **2. The Role of New Regulatory Players and the New Frontiers of Public Authority**

Case studies could analyze the recent history, showing for instance how the traditional public authorities handed over their regulatory powers to new independent entities, either private (such as FINRA and PCAOB) or public (as it is mainly the case in continental Europe, such as the European Supervisory Authorities), be they national or international. Forward looking contributions, for instance on the possible form and impact of the global financial registry suggested by Thomas Piketty, or indeed on the possible deregulation by the Trump administration, are appreciated. More theoretical contributions could address general questions such as the legitimacy (collective and/or individual) of such authorities. Under what principles do they operate? What kind of financial activities (especially the diverse shadow banking sector) should be optimally covered by different kinds of authorities? Will they be able to adapt to further financial innovation? How can the capture of public authorities be better dealt with?

## **3. Changes in the (Territorial) Scope of Financial Regulation**

Do financial markets working in parallel reflect a multi-polar world or a continuum? What areas of homogeneity can be identified? What is the present situation, and what is desirable? What, for example, would be the effects of a global financial registry on tax evasion of financial wealth-related inequalities? Do we need global regulators or supervisors for financial institutions (such as banks) in order to prevent the capture or leniency of national authorities? Or is a global *framework* with *national* implementation (as initiated by the Financial Stability Board, FSB) enough to prevent systemic risk? Only the United States seems to have shown its authority over international banks by clearly fining them for misconduct. So what are the theoretical foundations for having authorities encompassing multiple jurisdictions? Does such an authority need to be the universal expression of one state or an effective public authority reflecting true multilateral commitments? Alternative constructions of finance may be examined within this framework: for instance, does *Islamic finance* offer a consistent international rule of law, or is it an expression of local idiosyncrasies?

### **SELECTION PROCESS AND DEADLINES:**

**Communication proposals (maximum 400 words) and short biographies should be sent to Nicholas Sowels (Nicholas.Sowels@univ-paris1.fr), by February 15, 2017.**

Speakers will receive **notification by March 15, 2017**, and will be requested to submit their **papers by July 15, 2017.**

**Financial support** for travel will be provided, as far as possible, to PhD students and postdoctoral researchers. Confirmation of support will be given with the acceptance of papers.

**For further information**, please contact Pierre-Charles Pradier (Pierre-Charles.Pradier@univ-paris1.fr) or Nicholas Sowels (Nicholas.Sowels@univ-paris1.fr).

## **SCIENTIFIC COMMITTEE**

Yuri Biondi (CNRS, Labex ReFi),  
Robert Boyer (Institut des Amériques),  
Charles Calomiris (Columbia University),  
John C. Coffee (Columbia University),  
Christian de Boissieu (Université Paris 1, Labex ReFi),  
Raphaël Douady (Université Paris 1, Labex ReFi),  
Gerard Hertig (ETH Zurich),  
Christophe Moussu (ESCP, Labex ReFi),  
Alain Pietrancosta (Université Paris 1, Labex ReFi),  
Pierre-Charles Pradier (Université Paris 1, Labex ReFi),  
Karthik Ramanna (Blavatnik School of Government, University of Oxford),  
Dorothea Schäfer (DIW-Berlin),  
Shyam Sunder (Yale School of Management).

## **CONFERENCE PARTNERS**

This conference is being organised by: Labex ReFi (Paris).

It is partnered by:

The Centre on Corporate Governance,  
Columbia Law School (New York),  
The Blavatnik School of Government (University of Oxford),  
DIW (Berlin),  
Policy Network (London),  
The Université Sorbonne Nouvelle – Paris 3 (CERVEPAs, Paris).