



Bharat Ram Memorial Seminar on BANKER'S NEW CLOTHES: WHAT IS WRONG WITH BANKING AND WHAT TO DO ABOUT IT

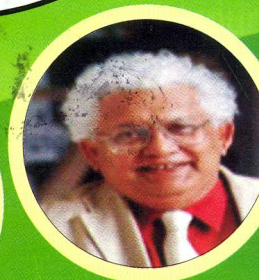
With

Prof. Martin Hellwig

Distinguished Professor and Director,
Max Planck Institute For Research
on Collective Goods, Bonn

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Federation House, New Delhi



Background

There has been a deluge of academic writings on financial sector reform after the economic crisis of 2008. In this ongoing debate, Anat Admati and Martin Hellwig's book on "Banker's New Clothes: What is Wrong with Banking and What to do About It" provides a refreshing middle ground. The authors, while analyzing their line of reasoning, clarify the flawed claims made by economists and policy makers in the ongoing debate. The book provides the way forward in simple and accessible terms by cutting through the jargon of banking.

The book has been receiving rave reviews. According to Ben Bernake says "One of the most important contributions to answering the ongoing debate is a new book co-written by the leading German economist Martin Hellwig and his US counterpart Anat Admati. The Bankers' New Clothes is a lucid exposition of the intellectual falsehoods deployed by banks to justify the ways in which they went about growing their business beyond any reasonable assessment of risk in the run-up to the crisis of 2008 and which they continue to peddle today".

Indian economy is also saddled with the issue of banking sector reform including the issue of financial inclusion. The debate in India is to find ways and means of deregulation and steadily liberalizing the banking sector. RBI has taken up the task of steadily liberalizing and reforming the banking sector.

Objective of the Seminar

The main objective of the seminar, organized by Shri Ram Centre for Industrial Relations, Human Resources, Economic and Social Development & FICCI, is to provide a platform of debate on the subject of financial sector reform to facilitate policy on the subject. This will be at heart of deliberations.