

CALL FOR PAPERS FOR THE Section STOCK MARKETS IN HISTORICAL PERSPECTIVE to be held at the 2011 World Congress of the International Economic History Association at Stellenbosch, South Africa, 9-13 July, 2012)

(Pre-Session: LISBON CONFERENCE ON STOCK MARKETS IN HISTORICAL PERSPECTIVE Lisbon, 25-26 May, 2012)

The twentieth century ushered in a maturing process of Economics in general, and Financial Management, in particular. The secret for world financial hegemony may be related to capital market cultural contexts and historical traditions, but also to securities settlement systems, taxes, and listing fees. Papers on these perspectives are welcome.

Increasing connections among national economies exacerbate contagious effects from among regions. What lessons can past events offer us? In many countries, the consolidation of Stock Exchanges adds value to those struggling markets, but it may not be true that all problems of domestic economies are solved by consolidation. Papers addressing historical stock-market mergers will be very useful for the purposes of this conference.

There have been many studies on Cost of Capital in the USA and elsewhere, including Europe. To the extent that savers must be compensated for postponing their consumption and bearing some market risks by purchasing securities (shares, bonds, etc.), the historical evidence may illustrate the level of rewards expected and demanded by those investors at different moments in time in different economies. Risk aversion, subjective estimation of risk and its association with political events such as nationalizations (and privatizations) strongly influence investors' decisions. Papers on these issues are also invited.

Investment is today a more and more important share of global demand, as societies use more and more sophisticated capital-intensive technologies. As a consequence, banks' capacity to gather long-run private savings for investment seems to be insufficient, and stock-markets may have a role to play in this regard. What connections can be cited or suggested to explain the long-run economic growth and today's difficulties?

Using GDP for 35 countries, Barro and Ursúa (2008)¹ go into full annual data on Consumption for 22 countries to detect crises. For samples that start as early as 1870, a peak-to-trough method was used: 87 crises for consumption and 148 for GDP were discovered, leading to the conclusion that 3.5 years was the average duration for disasters, having a mean of 21-22%, under a coincident timing both in Consumption and GDP. The

¹ Barro, Robert and Ursúa, José "Macroeconomic crises since 1870", NBER working-paper nº 13940, April (2008) available at <http://www.nber.org/papers/w13940>

aim is also to focus on these related issues to improve the important dialogue that may be established with macroeconomics in looking for evidence pertaining to crises, from the large laboratory of experiences and facts that history makes available whenever long-term analyses are pursued. Stock-exchange variables are now a decisive topic to inspire the global scientific community working on different schools of economic thought to present papers on economic fluctuations and financial volatility.

Derivatives are useful instruments to cover different types of risk, but liquidity shortage in small markets typically precludes the creation of derivative exchanges in such markets. Also, derivatives facilitate speculation, a fact that tends to be politically seen negatively. Historical evidence on this topic as well as relationships with short-selling administrative restrictions is welcome.

The creation of the European Monetary Union (EMU) drew intense attention to issues dealing with capital markets and monetary unification. The study of world stock markets shows that they have adopted a plethora of practices, rules, and regulations, changing over time and sometimes exhibiting great differences, but tending to some convergence. In what way must they be viewed as a result of historical experience, and market expertise? If they are a requirement for dealing in financial operations, they can be approached as progressive legal adjustments to good practice. Legal aspects and regulation can inspire contributions for this section of the conference.

Currently genuine control problems of the European Monetary Union provoke a revitalization of the debate about the current financial crisis, and adequate governance structures of capital markets in monetary unions. Economic history can offer an independent contribution to the analysis of the conditions of success and the mode of action of capital market practices. We seek to include papers using history to analyze these processes. Papers examining the explanatory power of theoretical approaches to capital markets in monetary unions will be given high priority.

In a situation such as the current European sovereign-debt crisis, private savings may seem a central instrument to overcome the problems and avoid equally-difficult future crises. Politicians may be led to use the Tobin tax as a new source of fiscal revenue. Although this tax may be seen as a guarantee for banking systems and as an instrument for short-run movements of capital (which frequently destabilize markets), it is not clear whether or not it is a waste of resources. What taxing policy on savings should be pursued?

Submit your proposal before 29 February 2012

The notice on the confirmed papers will be sent before 15 March

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