

ECON 425

TOPICS IN MONETARY ECONOMICS: THE INTERNATIONAL MONETARY SYSTEM FROM THE GOLD STANDARD TO GLOBALIZATION

Syllabus

Spring 2015

Lectures:

Monday and Wednesday, 10:30 am – 12:20 pm; Raitt Hall, Room 121

Fabio Ghironi

University of Washington

Savery Hall, Room 337

Phone: 206-543-5795

E-mail: ghiro@uw.edu

Web page: <http://faculty.washington.edu/ghiro>

Office Hours: Monday, 3:30 – 5:30 pm, and by appointment

Welcome

Feel free to address me as Fabio. You can of course address me as Professor Ghironi if you prefer to do so. You can find out a lot about me by visiting my website.

Course Description and Objectives

This course explores the history and functioning of international monetary arrangements and economic relations from the 19th century to the present day. We will study the operation of the Gold Standard, the Bretton Woods exchange rate regime in place after World War II, the collapse of this regime and the advent of flexible exchange rates, the choice of European countries to stabilize their exchange rates and eventually implement a monetary union, and exchange rate and financial crises in Europe, Asia, and Latin America. We will discuss the causes of the recent U.S. and international crisis, the crisis of the Euro Area, and the challenges they posed—and still pose—for policymakers. We will address the pros and cons of macroeconomic policy coordination across countries and the policy tradeoffs for emerging market economies. Questions that will be studied include: What was the role of the Gold Standard in the Great Depression? Why did the Bretton Woods regime of fixed exchange rates collapse at the beginning of the 1970s? Why did some European countries decide to give up their currencies and form a monetary union? How did European monetary unification affect policy interactions between the U.S. and Europe? How did the advent of the euro affect the position of the dollar in the international financial system? What are the consequences of financial and trade globalization? What is the role of China and other emerging economies in the evolving world economy? What caused the global financial crisis of

2007-2009 and how did policymakers respond? What are the causes and possible consequences of the crisis of the Euro Area?

The goal of the course is for students to develop an understanding of international economic and monetary relations as they evolved over time in response to different historical conditions and challenges facing policymakers. Students will gain a perspective on the pros and cons of alternative monetary policy arrangements and the potential gains from economic policy coordination in historical context.

Approach and Prerequisites

The course will explore the questions mentioned above (and others) by combining history, political economy, and economic theory. We will alternate lectures that discuss historical events with lectures of more theoretical nature, in which we will explore the working of different exchange rate and policy regimes by means of mathematical models. The theoretical material will require familiarity with calculus. Other than this, the only formal prerequisite for this course is Intermediate Macroeconomics (ECON 301), with a minimum grade of 2.0. Students who have already been exposed to international economics are likely to find some parts of this course easier, but I will explain everything taking nothing more than calculus and intermediate macro for granted.

Textbook and Other Readings

There is a required background textbook for this course: *Globalizing Capital: A History of the International Monetary System*, second edition, by Barry Eichengreen, Princeton University Press, Princeton, 2008, available at the University Bookstore. (For brevity, I refer to the textbook simply as “Textbook” in the list of topics and readings below.) I will use this textbook as background reference, but the lectures will be based also on my own summary of a number of other readings. You can access most of them online at <http://faculty.washington.edu/ghiro/umonecreadings.html>. You should have free access to the readings linked there from the University of Washington network. I will distribute in class copies of the readings not available online. I will also post my lecture notes online in my teaching web page, <http://faculty.washington.edu/ghiro/teaching.html>. Homework assignments and the Midterm Exam will also be posted there (after they have been assigned in class).

Reading Expectation

I will expect all students to have studied textbook and lecture notes, and to have read the articles I will indicate, for the midterm and final exams.

Important

This course is for students who are seriously interested in international monetary economics, who are willing to do a considerable amount of reading, and who are ready to use math tools that are standard for undergraduates all over the world. Intermediate Macroeconomics is a serious prerequisite. If you forgot your macro and want to take this course, you should review your macro textbook or notes as soon as possible. The same applies to Calculus. This course is not for students without any real interest in international economics. It is not for students who are simply filling their schedules at the last minute with whatever courses happen to be available.

Course Requirements

Midterm exam: There will be an in-class midterm exam on Wednesday, May 6. Important: Because of renovation in RAI 121 in the week of May 4, the midterm exam will be held in the Bank of America Executive Education Center (EXED), Room 110.

Final exam: There will be a final exam on Monday, June 8, 8:30 – 10:20 am, in Raitt Hall, Room 121. The final exam will include questions on the pre-midterm material.

Both exams will be closed-books, closed-notes. If a student is absent from an exam (midterm and/or final), I will follow the guidelines available at <http://www.washington.edu/students/reg/examguide.html> (see Point 3). Illness of the student will have to be documented.

Midterm and final exams will be graded on a scale 0-100.

Homework assignments: There will be six homework assignments during the quarter. Two randomly determined questions or parts per homework (the same questions/parts for each student) will be graded on a scale 0-10. The two lowest scores will be dropped and the remaining ten scores will be added together to determine your total homework score, which will be between 0 and 100.

Your overall score for the course will be determined using a weighted average of your midterm exam score, final exam score, and total homework score. The weights of the requirements in your overall score will be as follows:

Midterm exam score:	40 percent;
Final exam score:	45 percent;
Total homework score:	15 percent.

Your overall score will determine your grade for the course.

Grader, Grading Procedure, Questions on Grading, and “No-Panic”

There is a Grader for this course. His name is Rory Mullen. He will grade your homework assignments, midterm exam, and part of the final exam. I will grade the other part of the final exam, and I will determine your grade for the course based on your scores as described above.

I trust Rory’s competence fully in this process. Therefore, if you have questions about his grading, you should discuss them initially with him, and approach me only if the issue remains unresolved. Rory’s e-mail address is rmmullen@u.washington.edu. You should carbon-copy me on all correspondence with him. If you have questions on the part of the final exam that I will grade, or questions on your grade for the course that do not involve Rory’s grading, you should contact me directly.

You should not panic if you see low numerical scores for exams or homework assignments. You will receive only numerical scores between 0 and 100 for exams and between 0 and 10 for homework questions/parts—no 0-4 grades. No reason to panic if you receive a score that is lower than you are used to. If you are concerned about your overall situation in the course, come see me during office hours or an appointment, and you will usually find out that you are doing better than you think. Keep in mind that I am happy to reward hard work with good grades at the end of the course. But I do want to see hard work.

Academic Integrity

The University of Washington values the academic integrity of its students and faculty. For Student Academic Responsibility and the consequences of misconduct, see <http://depts.washington.edu/grading/pdf/AcademicResponsibility.pdf>.

The following is the Economics Department policy on Academic Conduct:

Academic integrity is the cornerstone of the Department's rules for student conduct and evaluation of student learning. Students accused of academic misconduct will be referred directly to the Office of Community Standards and Student Conduct for disciplinary action pursuant to the Student Conduct Code and, if found guilty, will be subject to sanctions. Sanctions range from a disciplinary warning, to academic probation, to immediate dismissal for the Department and the University, depending on the seriousness of the misconduct. Dismissal can be, and has been, applied even for first offenses. Moreover, a grade of zero can be assigned by the instructor for the course.

My own addendum: Any form of cheating will definitely result in a zero score for the relevant assignment or exam.

Where to Leave Documents for Me

If you need to leave a document for me (say, a homework assignment that you forgot to give me in class), please do not leave it under my office door. Leave it in my mailbox in the Economics Department main office (Savery Hall, Room 305). Thank you.

Classroom Change, Week of May 4

RAI 121 will undergo renovation in the week of May 4. Therefore, the course will meet in room 110 of the Bank of America Executive Education Center (EXED) on Monday, May 4, and Wednesday, May 6. Important: Note that EXED 110 will be the location of the midterm exam.

Advice

This is a course where it will be important to stay on top of the material regularly. Study the textbook and lecture notes, and read the articles I will indicate, without accumulating delay. Work through the math intensive parts of the course with pencil and paper, making sure that you can reproduce and understand all derivations. Do not try to memorize the material. Focus on understanding.

You should take full advantage of the resources at your disposal: Come to my office hours regularly when you have questions. Do not feel uncomfortable asking the same question more than once—for instance, in class and office hours. I am excited about the material of this course, and I want to do my best to make sure you learn as much as possible from it.

You should also always feel free to ask questions in class. Lively class discussion is always fun.

However, you should not e-mail me questions that require answers that are longer than one line. E-mail is an extremely inefficient way to handle such questions. It is much better to meet in person and discuss things in office hours or appointments.

If you want to schedule an appointment, you should give me sufficient advance notice and not send me e-mails asking if you can see me on the same day or the next day. For better or worse, I am extremely busy, and it will usually be impossible for me to accommodate short notices. (I also find short-notice requests rude.)

You will be asked and expected to work hard for this course. But you can expect that I will be doing the same, and you will find that I am happy to go the extra mile to make sure you learn if you come to office hours with your questions or schedule an appointment. You should especially take advantage of this if you feel overwhelmed by the math-intensive parts of the course.

An Additional Resource

I was a faculty member at Boston College (BC) before moving to the University of Washington. During my last three years at BC (Fall 2010-Spring 2013), I organized a seminar series on International Economic Policy and Political Economy (IEPPE), where I invited speakers to give non-technical presentations on topics of present-day policy relevance. The speakers included academics and current or former policymakers, some of whom you will hear me mention this quarter. The presentations covered many topics of relevance to this course (and other topics of potential interest to you). Presentation materials are still available online. You can access the IEPPE archive from <http://faculty.washington.edu/ghiro/IEPPEArchive.htm>. Presentations during academic year 2012-13 were recorded, and it is possible to watch the recordings online. I encourage you to use the IEPPE Archive as an additional resource to delve into topics we will explore in the course.

Topics and Readings

Following is the list of topics I plan to cover with associated readings (how deep we go in the list will depend on the evolution of the course). As the course progresses, I will indicate which readings are indeed required. The reading list below is also meant as a research tool for those of you who will want to explore one or more topics in depth.

Note: As you will see, there will be some glaring omissions from our coverage of developments in the global economy: We will not focus on Africa, for instance. This reflects the effect of time constraints on the selection of topics we can realistically hope to cover. If you have a special interest in Africa (or other topics we will not cover), feel free to ask me for suggestions about readings.

Topic 1: Globalization and Capital Flows in Historical Perspective

Nayyar, Deepak (2006): "Globalisation, History and Development: A Tale of Two Centuries," *Cambridge Journal of Economics* 30: 137-159.
Eichengreen, Barry (2004): *Capital Flows and Crises*, MIT Press, Cambridge (Chapter 2).

Topic 2: The Gold Standard

Textbook, Chapter 2.
Krugman, Paul R. (1991): "Target Zones and Exchange Rate Dynamics," *Quarterly Journal of Economics* 106: 669-682.

Topic 3: The Great Depression

Textbook, Chapter 3.
Bernanke, Ben S. (1995): "The Macroeconomics of the Great Depression: A Comparative Approach," *Journal of Money, Credit and Banking* 27: 1-28.

Eichengreen, Barry (1984): “Central Bank Cooperation under the Interwar Gold Standard,” *Explorations in Economic History* 21: 64-87.

Topic 4: The Bretton Woods System

Textbook, Chapter 4.

Bordo, Michael D. (1993): “The Bretton Woods International Monetary System: A Historical Overview,” in Bordo, Michael D., and Barry Eichengreen, Editors (1993): *A Retrospective on the Bretton Woods System: Lessons for International Monetary Reform*, University of Chicago Press, Chicago.

Topic 5: Policy Tradeoffs and Monetary Cooperation under Alternative Exchange Rate Regimes

Ghironi, Fabio, and Francesco Giavazzi (1998): “Currency Areas, International Monetary Regimes, and the Employment-Inflation Tradeoff,” *Journal of International Economics* 45: 259-296.

Giavazzi, Francesco, and Alberto Giovannini (1989): “Monetary Policy Interactions Under Managed Exchange Rates,” *Economica* 56: 199-214.

Topic 6: Floating Exchange Rates

Textbook, Chapter 5.

Topic 7: Monetary Integration in Europe

Textbook, Chapter 5.

Spolaore, Enrico (2013): “What Is European Integration Really About? A Political Guide for Economists,” *Journal of Economic Perspectives* 27: 125-44.

Topic 8: Exchange Rate and Financial Crises

Textbook, Chapters 5 and 6.

Eichengreen, Barry (2004): *Capital Flows and Crises*, MIT Press, Cambridge (selected parts).

Topic 9: Policy Challenges at the Dawn of the New Millennium

Textbook, Chapter 6.

Topic 10: The Global Financial Crisis of 2007-2009

Almunia, Miguel, Agustín S. Bénétrix, Barry Eichengreen, Kevin H. O’Rourke, and Gisela Rua (2010): “From Great Depression to Great Credit Crisis: Similarities, Differences and Lessons,” *Economic Policy* 62: 219-265 (including comments).

Cecchetti, Stephen G. (2009): “Crisis and Responses: The Federal Reserve in the Early Stages of the Financial Crisis,” *Journal of Economic Perspectives* 23: 51-75.

Claessens, Stijn, Giovanni Dell’Ariccia, Deniz Igan, and Luc Laeven (2010): “Cross-Country Experiences and Policy Implications from the Global Financial Crisis,” *Economic Policy* 62: 267-293 (including comments).

Krugman, Paul R. (2008): “The International Finance Multiplier,” manuscript, Princeton University.

Lenza, Michele, Huw Pill, and Lucrezia Reichlin (2010): “Monetary Policy in Exceptional Times,” *Economic Policy* 62: 295-339 (including comments).

Topic 11: The Euro Area Crisis and Its Global Implications

- Beblavý, Miroslav, David Cobham and L'udovít Ódor, Editors (2011): *The Euro Area and the Financial Crisis*, Cambridge University Press, London (chapters by—in order of appearance—Athanasios Orphanides, Francesco Giavazzi and Luigi Spaventa, Laurent Clerc and Benoît Mojon, Vítor Gaspar, Stefan Gerlach, Jacques Mélitz).
- Eichengreen, Barry (2012): “Implications of the Euro’s Crisis for International Monetary Reform,” *Journal of Policy Modeling* 34: 541-548.
- Lane, Philip R. (2012): “The European Sovereign Debt Crisis,” *Journal of Economic Perspectives* 26: 49-68.
- Mody, Ashoka, and Damiano Sandri (2012): “The Eurozone Crisis: How Banks and Sovereigns Came to Be Joined at the Hip,” *Economic Policy* 70: 199-230 (including comments).
- O'Rourke, Kevin H., and Alan M. Taylor (2013): “Cross of Euros,” *Journal of Economic Perspectives* 27: 167-92.

Topic 12: Secular Stagnation

- Teulings, Coen, and Richard Baldwin, eds. (2014): “Secular Stagnation: Facts, Causes, and Cures,” Vox eBook, CEPR Press, London (selected parts).

A valuable, free online source on the economy and the crisis is Nouriel Roubini’s EconoMonitor website. In particular, see <http://www.economonitor.com/channel/global-macro> and the Global Macro Blogs Aggregator at <http://www.economonitor.com/aggregator/50001>.

Another excellent source on current economic events is the vox website, which collects contributions from many leading scholars: <http://www.voxeu.org>.

For analysis of international economic developments by International Monetary Fund staff economists, see the IMF’s World Economic Outlook at <http://www.imf.org/external/ns/cs.aspx?id=29>.

Additional Readings

Following are suggested additional readings on various topics that you may be interested in exploring further. (We will not be covering these readings in class.)

An excellent book that discusses several topics covered in this course is Jeffrey A. Frieden’s *Global Capitalism: Its Fall and Rise in the Twentieth Century*, W. W. Norton & Company, 2007.

The Gold Standard and the Great Depression

- Bernanke, Ben S. (2004): *Essays on the Great Depression*, Princeton University Press, Princeton.
- Calomiris, Charles W. (1993): “Financial Factors in the Great Depression,” *Journal of Economic Perspectives* 7: 61-85.
- Eichengreen, Barry (1992): “The Origins and Nature of the Great Slump Revisited,” *Economic History Review* 45: 213-239.
- Eichengreen, Barry (1995): *Golden Fetters*, Oxford University Press, Oxford.
- Eichengreen, Barry, and Marc Flandreau, Editors (1997): *The Gold Standard in Theory and History*, Routledge, London.
- Margo, Robert A. (1993): “Employment and Unemployment in the 1930s,” *Journal of Economic Perspectives* 7: 41-59.
- Obstfeld, Maurice, Jay C. Shambaugh, and Alan M. Taylor (2004): “Monetary Sovereignty, Exchange Rates, and Capital Controls: The Trilemma in the Interwar Period,” *IMF Staff Papers* 51: 75-108.

- Romer, Christina D. (1993): "The Nation in Depression," *Journal of Economic Perspectives* 7: 19-39.
- Temin, Peter (1993): "Transmission of the Great Depression," *Journal of Economic Perspectives* 7: 87-102.

The Bretton Woods System

- Bordo, Michael D., and Barry Eichengreen, Editors (1993): *A Retrospective on the Bretton Woods System: Lessons for International Monetary Reform*, University of Chicago Press, Chicago.
- Bordo, Michael D., and Barry Eichengreen (2008): "Bretton Woods and the Great Inflation," NBER Working Paper 14532.

Models of Exchange Rate Regimes and Policy Interdependence

- Canzoneri, Matthew B., and Dale W. Henderson (1991): *Monetary Policy in Interdependent Economies: A Game-Theoretic Approach*, MIT Press, Cambridge.
- Persson, Torsten, and Guido Tabellini (1995): "Double Edged Incentives: Institutions and Policy Coordination," in Grossman, Gene, and Kenneth Rogoff, Editors, *Handbook of International Economics*, Vol. III, Elsevier, Amsterdam.

Monetary Integration in Europe

- Beetsma, Roel, and Massimo Giuliodori (2010): "The Macroeconomic Costs and Benefits of the EMU and other Monetary Unions: An Overview of Recent Research," *Journal of Economic Literature* 48: 603-641.
- Buiter, Willem, Giancarlo Corsetti, and Paolo Pesenti (1998): *Financial Markets and European Monetary Cooperation: The Lessons from the 92-93 Crisis*, Cambridge University Press, London.
- Buiter, Willem, Giancarlo Corsetti, and Paolo Pesenti (1998): "Interpreting the ERM Crisis: Country-Specific and Systemic Issues," *Princeton Studies in International Finance* 84.
- Buti, Marco, and André Sapir, Editors (2003): *EMU and Economic Policy in Europe: The Challenge of the Early Years*, Edward Elgar, Cheltenham.
- Eichengreen, Barry, and Fabio Ghironi (1996): "European Monetary Unification: The Challenges Ahead," in Torres, F., editor, *Monetary Reform in Europe*, Universidade Católica Editora, Lisbon.
- Feldstein, Martin (1997): "The Political Economy of the European Economic and Monetary Union: Political Sources of an Economic Liability," *Journal of Economic Perspectives* 11: 23-42.
- Giavazzi, Francesco, and Alberto Giovannini (1989): *Limiting Exchange Rate Flexibility: The European Monetary System*, MIT Press, Cambridge.
- Issing, Otmar (2008): "The Euro: Does a Currency Need a State?" *International Finance* 11: 297-310.
- Kenen, Peter B. (1995): *Economic and Monetary Union in Europe: Moving Beyond Maastricht*, Cambridge University Press, London.
- Mihov, Ilian (2001): "Monetary Policy Implementation and Transmission in the European Monetary Union," *Economic Policy* 33: 369-406 (including comments).
- Obstfeld, Maurice, and Kenneth Rogoff (1995): "The Mirage of Fixed Exchange Rates," *Journal of Economic Perspectives* 9: 73-96.
- Torres, Francisco, Editor (1996): *Monetary Reform in Europe*, Universidade Católica Editora, Lisbon.
- Wyplosz, Charles (1998): "EMU: Why and How It Might Happen," *Journal of Economic Perspectives* 11: 3-22.

An excellent book on the post-World War II European recovery is Eichengreen, Barry (2006): *The European Economy since 1945: Coordinated Capitalism and Beyond*, Princeton University Press, Princeton.

The Euro's Role in Global Financial Markets and U.S.-Europe Policy Interdependence in the EMU Era: Some Pre-Crisis Perspectives

- Begg, David, Francesco Giavazzi, and Charles Wyplosz (1997): "Options for the Future Exchange Rate Policy of the EMU," CEPR, London.
- Dominguez, Kathryn M. E. (2006): "The European Central Bank, the Euro, and Global Financial Markets," *Journal of Economic Perspectives* 20: 67-88.
- Eichengreen, Barry (1997): *European Monetary Unification: Theory, Practice, and Analysis*, MIT Press, Cambridge (selected parts).
- Eichengreen, Barry, Editor (1998): *Transatlantic Economic Relations in the Post-Cold War Era*, Brookings Institution Press, Washington, D.C.
- Eichengreen, Barry, and Fabio Ghironi (2002): "Transatlantic Trade-Offs in the Age of Balanced Budgets and European Monetary Union," *Open Economies Review* 13: 381-411.
- Portes, Richard, and Hélène Rey (1998): "The Emergence of the Euro as an International Currency," *Economic Policy* 26: 305-343 (including comments).

Exchange Rate and Financial Crises Pre-2007

- Bordo, Michael D., and Anna J. Schwartz (1996): "Why Clashes between Internal and External Stability Goals End in Currency Crises," *Open Economies Review* 7: 437-468.
- Calvo, Guillermo A. (2005): *Emerging Capital Markets in Turmoil: Bad Luck or Bad Policy?* MIT Press, Cambridge.
- Caprio, Gerard, and Patrick Honohan (1999): "Restoring Banking Stability: Beyond Supervised Capital Requirements," *Journal of Economic Perspectives* 13: 43-64.
- Corsetti, Giancarlo, Paolo Pesenti, and Nouriel Roubini (1999): "What Caused the Asian Currency and Financial Crisis?" *Japan and the World Economy* 3: 305-373.
- Dooley, Michael P., and Jeffrey A. Frankel, Editors (2003): *Managing Currency Crises in Emerging Markets*, University of Chicago Press, Chicago.
- Edwards, Sebastian, Gerardo Esquivel, and Graciela Márquez, Editors (2007): *The Decline of Latin American Economies*, University of Chicago Press, Chicago.
- Edwards, Sebastian, and Jeffrey A. Frankel, Editors (2003): *Preventing Currency Crises in Emerging Markets*, University of Chicago Press, Chicago.
- Eichengreen, Barry (2003): "Restructuring Sovereign Debt," *Journal of Economic Perspectives* 17: 75-98.
- Fischer, Stanley (1999): "On the Need for an International Lender of Last Resort," *Journal of Economic Perspectives* 13: 85-104.
- Ghosh, Atish R., Anne-Marie Gulde, and Holger C. Wolf (2000): "Currency Boards: More Than a Quick Fix?" *Economic Policy* 31: 269-335 (including comments).
- Ito, Takatoshi, and Anne O. Krueger, Editors (2001): *Regional and Global Capital Flows: Macroeconomic Causes and Consequences*, University of Chicago Press, Chicago.
- Jeanne, Olivier, and Jeromin Zettelmeyer (2001): "International Bailouts, Moral Hazard, and Conditionality," *Economic Policy* 33: 407-432 (including comments).
- Kaminsky, Graciela L., Carmen M. Reinhart, and Carlos A. Végh (2003): "The Unholy Trinity of Financial Contagion," *Journal of Economic Perspectives* 17: 51-74.
- Mishkin, Frederic S. (1999): "Global Financial Instability: Framework, Events, Issues," *Journal of Economic Perspectives* 13: 3-20.
- Radelet, Steven, and Jeffrey Sachs (1998): "The East Asian Financial Crisis: Diagnosis, Remedies, Prospects," *Brookings Papers on Economic Activity* 1: 1-74.
- Rogoff, Kenneth (1999): "International Institutions for Reducing Global Financial Instability,"

Journal of Economic Perspectives 13: 21-42.

Sturzenegger, Federico, and Jeromin Zettelmeyer (2007): *Debt Defaults and Lessons from a Decade of Crises*, MIT Press, Cambridge.

Policy Tradeoffs for Emerging Market Economies

Calvo, Guillermo A. (2005): *Emerging Capital Markets in Turmoil: Bad Luck or Bad Policy?* MIT Press, Cambridge (selected parts).

Calvo, Guillermo A., and Frederic S. Mishkin (2003): “The Mirage of Exchange Rate Regimes for Emerging Market Countries,” *Journal of Economic Perspectives* 17: 99-118.

Calvo, Guillermo A., and Ernesto Talvi (2006): “The Resolution of Global Imbalances: Soft Landing in the North, Sudden Stop in Emerging Markets?” *Journal of Policy Modeling* 28: 605-613.

Fraga, Arminio (2004): “Latin America since the 1990s: Rising from the Sickbed?” *Journal of Economic Perspectives* 18: 89-106.

Mishkin, Frederic S. (2006): *The Next Great Globalization*, Princeton University Press, Princeton.

Prasad, E. S., and Raghuram G. Rajan (2008): “A Pragmatic Approach to Capital Account Liberalization,” *Journal of Economic Perspectives* 22: 149-172.

China and India

Ahluwalia, Montek S. (2002): “Economic Reforms in India Since 1991: Has Gradualism Worked?” *Journal of Economic Perspectives* 16: 67-88.

Datt, Gaurav, and Martin Ravallion (2002): “Is India’s Economic Growth Leaving the Poor Behind?” *Journal of Economic Perspectives* 16: 89-108.

Frankel, Jeffrey A., and Shang-Jin Wei (2007): “Assessing China’s Exchange Rate Regime,” *Economic Policy* 51: 575-627 (including comments).

Rodrik, Dani, and Arvind Subramanian (2004): “From ‘Hindu Growth’ to Productivity Surge: The Mystery of the Indian Growth Transition,” NBER Working Paper 10376.

Obstfeld, Maurice (2007): “The Renminbi’s Dollar Peg at the Crossroads,” *Bank of Japan Monetary and Economic Studies* 25: 29-56.

Perkins, Dwight (2006): “China’s Recent Economic Performance and Future Prospects,” *Asian Economic Policy Review* 1: 16-41.

Roy, Tirthankar (2002): “Economic History and Modern India: Redefining the Link,” *Journal of Economic Perspectives* 16: 109-130.

Sachs, Jeffrey, and Wing T. Woo (1997): “Understanding China’s Economic Performance,” NBER Working Paper 5935.

Yusuf, Shahid (1994): “China’s Macroeconomic Performance and Management during Transition,” *Journal of Economic Perspectives* 8: 71-92.

On China, see also the Symposium in the Fall 2012 issue of the *Journal of Economic Perspectives*.

Russia and the Former Soviet Bloc

Berglof, Erik, and Patrick Bolton (2002): “The Great Divide and Beyond: Financial Architecture in Transition,” *Journal of Economic Perspectives* 16: 77-100.

Boeri, Tito, and Katherine Terrell (2002): “Institutional Determinants of Labor Reallocation in Transition,” *Journal of Economic Perspectives* 16: 51-76.

Desai, Padma (2005): “Russian Retrospectives on Reforms from Yeltsin to Putin,” *Journal of Economic Perspectives* 19: 87-106.

Estrin, Saul (2002): “Competition and Corporate Governance in Transition,” *Journal of Economic Perspectives* 16: 101-124.

Fischer, Stanley, Ratna Sahay, and Carlos A. Végh (1996): “Stabilization and Growth in Transition Economies: The Early Experience,” *Journal of Economic Perspectives* 10: 45-66.

- Guriev, Sergei, and Andrei Rachinsky (2005) "The Role of Oligarchs in Russian Capitalism," *Journal of Economic Perspectives* 19: 131-150.
- Levy Yeyati, Eduardo (2006): "Financial Dollarization: Evaluating the Consequences," *Economic Policy* 45: 61-118 (including comments).
- Murrell, Peter (1996): "How Far Has the Transition Progressed?" *Journal of Economic Perspectives* 10: 25-44.
- Murrell, Peter, Editor (1991): Symposium on Economic Transition in the Soviet Union and Eastern Europe, *Journal of Economic Perspectives* 5: 3-161.
- Roland, Gérard (2002): "The Political Economy of Transition," *Journal of Economic Perspectives* 16: 29-50.
- Shleifer, Andrei, and Daniel Treisman (2005): "A Normal Country: Russia after Communism," *Journal of Economic Perspectives* 19: 151-174.
- Svejnar, Jan (2002): "Transition Economies: Performance and Challenges," *Journal of Economic Perspectives* 16: 3-28.

Japan

- Flath, David (2000): *The Japanese Economy*, Oxford University Press, Oxford.
- Hoshi, Takeo, and Anil K. Kashyap (2004): "Japan's Financial Crisis and Economic Stagnation," *Journal of Economic Perspectives* 18: 3-26.
- Kashyap, Anil K. (2002): "Sorting Out Japan's Financial Crisis," *Federal Reserve Bank of Chicago Economic Perspectives*, 4th Quarter, 42-55.
- Posen, Adam, and Ryoichi Mikitani, Editors (2000): *Japan's Financial Crisis and Its Parallels to U.S. Experience*, Institute for International Economics, Washington, DC.
- Svensson, Lars E. O. (2003): "Escaping from a Liquidity Trap and Deflation: The Foolproof Way and Others," *Journal of Economic Perspectives* 17: 145-166.

Global Imbalances and the U.S. External Position

- Blanchard, Olivier J., Francesco Giavazzi, and Filipa Sa (2005): "International Investors, the U.S. Current Account, and the Dollar," *Brookings Papers on Economic Activity* 1:2005, 1-65 (including comments).
- Cooper, R. N. (2008): "Global Imbalances: Globalization, Demography, and Sustainability," *Journal of Economic Perspectives* 22: 93-112.
- Eichengreen, Barry (2007): *Global Imbalances and the Lessons of Bretton Woods*, MIT Press, Cambridge.
- Eichengreen, Barry (2008): "Should There Be a Coordinated Response to the Problem of Global Imbalances? Can There Be One?" DESA Working Paper 69.
- Gros, Daniel (2006): "Why the U.S. Current Account Deficit Is Not Sustainable," *International Finance* 9: 241-260.
- Feldstein, M. (2008): "Resolving the Global Imbalance: The Dollar and the U.S. Saving Rate," *Journal of Economic Perspectives* 22: 113-125.
- Hausman, Ricardo, and Federico Sturzenegger (2006): "Why the U.S. Current Account Deficit Is Sustainable," *International Finance* 9: 223-240.
- Hausman, Ricardo, and Federico Sturzenegger (2007): "The Missing Dark Matter in the Wealth of Nations and Its Implications for Global Imbalances," *Economic Policy* 51: 469-518 (including comments).
- Krugman, Paul (2007): "Will There Be a Dollar Crisis?" *Economic Policy* 51: 435-467 (including comments).
- Obstfeld, Maurice (2005): "America's Deficit, the World's Problem," *Bank of Japan Monetary and Economic Studies* 23: 25-36.
- Obstfeld, Maurice, and Kenneth Rogoff (2005): "Global Current Account Imbalances and

Exchange Rate Adjustments,” *Brookings Papers on Economic Activity* 1:2005, 67-146 (including comments).

Globalization and Exchange Rate Regimes

- Eichengreen, Barry, and Raul Razo-Garcia (2006): “The International Monetary System in the Last and Next 20 Years,” *Economic Policy* 47: 393-442 (including comments).
- Edwards, Sebastian (1999): “How Effective Are Capital Controls?” *Journal of Economic Perspectives* 13: 65-84.
- Edwards, Sebastian, Editor (2007): *Capital Controls and Capital Flows in Emerging Economies*, University of Chicago Press, Chicago.
- Feenstra, Robert C. (1998): “Integration of Trade and Disintegration of Production in the Global Economy,” *Journal of Economic Perspectives* 12: 31-50.
- Harrison, Ann, Editor (2007): *Globalization and Poverty*, University of Chicago Press, Chicago.
- Obstfeld, Maurice (1998): “The Global Capital Market: Benefactor or Menace?” *Journal of Economic Perspectives* 12: 9-30.
- Obstfeld, Maurice, Jay C. Shambaugh, and Alan M. Taylor (2004): “The Trilemma in History: Tradeoffs among Exchange Rates, Monetary Policies, and Capital Mobility,” NBER Working Paper 10396.
- Rodrik, Dani (2000): “How Far Will International Economic Integration Go?” *Journal of Economic Perspectives* 14: 177-186.

Europe’s Outlook before the Euro Area Crisis

- Alesina, Alberto, and Francesco Giavazzi (2006): *The Future of Europe: Reform or Decline*, MIT Press, Cambridge.
- Alesina, Alberto, and Francesco Giavazzi, Editors (2010): *Europe and the Euro*, University of Chicago Press, Chicago.
- Alesina, Alberto, and Roberto Perotti (2004): “The European Union: A Politically Incorrect View,” *Journal of Economic Perspectives* 18: 27-48.
- Blanchard, Olivier J. (2004): “The Economic Future of Europe,” *Journal of Economic Perspectives* 18: 3-26.
- Lane, Philip R. (2006): “The Real Effects of European Monetary Union,” *Journal of Economic Perspectives* 20: 47-66.
- Lane, Philip R., and Gian Maria Milesi-Ferretti (2007): “Europe and Global Imbalances,” *Economic Policy* 51: 519-573 (including comments).
- Saint-Paul, Gilles (2004): “Why Are European Countries Diverging in Their Unemployment Experience?” *Journal of Economic Perspectives* 18: 49-68.
- Wyplosz, Charles (2006): “European Monetary Union: The Dark Sides of a Major Success,” *Economic Policy* 46: 207-261 (including comments).

The Crises of 2007-...

- Baldwin, Richard, and Barry Eichengreen, Editors (2008): *Rescuing Our Jobs and Savings: What G7/8 Leaders Can Do to Solve the Global Crisis*, CEPR, London.
- Bini Smaghi, Lorenzo (2009): “Conflicts of Interest and the Financial Crisis,” *International Finance* 12: 93-106.
- Brunnermeier, Markus K. (2009): “Deciphering the Liquidity and Credit Crunch 2007-2008,” *Journal of Economic Perspectives* 23: 77-100.
- Chinn, Menzie D., and Jeffrey A. Frieden (2011): *Lost Decades: The Making of America’s Debt Crisis and the Long Recovery*, W. W. Norton & Company.
- Claessens, Stijn, M. Ayhan Kose, and Marco E. Terrones (2009): “What Happens During Recessions, Crunches, and Busts?” *Economic Policy* 60: 653-700.
- Corden, W. Max (2009): “China’s Exchange Rate Policy, Its Current Account Surplus and the

- Global Imbalances, *Economic Journal* 119: 430-441.
- De Gregorio, José (2010): “Monetary Policy and Financial Stability: An Emerging Markets Perspective” *International Finance* 13: 141-156.
- Eichengreen, Barry (2008): “The U.S. as an Emerging Market,” manuscript, University of California, Berkeley.
- Eichengreen, Barry (2009a): “The Financial Crisis and Global Policy Reforms,” manuscript, University of California, Berkeley.
- Eichengreen, Barry (2009b): “The Global Credit Crisis as History,” *Current History*.
- Eichengreen, Barry (2009c): “The Crisis and the Euro,” manuscript, University of California, Berkeley.
- Eichengreen, Barry (2011): “The Euro’s Never Ending Crisis,” *Current History*, March, 91-96.
- Fatás, Antonio, and Ilian Mihov (2009): “Why Fiscal Stimulus Is Likely to Work,” *International Finance* 12: 57-73.
- Favero, Carlo, and Alessandro Missale (2012): “Sovereign Spreads in the Eurozone: Which Prospects for a Eurobond?” *Economic Policy* 70: 231-273 (including comments).
- Freixas, Xavier (2010): “Post-Crisis Challenges to Bank Regulation,” *Economic Policy* 62: 375-399 (including comments).
- Frieden, J. (2015): “The Political Economy of Adjustment and Rebalancing,” *Journal of International Money and Finance* 52: 4-14.
- Hassett, Kevin A. (2009): “Why Fiscal Stimulus Is Unlikely to Work,” *International Finance* 12: 75-91.
- Hau, Harald, and Marcel Thum (2009): “Subprime Crisis and Board (In-)Competence: Private versus Public Banks in Germany,” *Economic Policy* 60: 701-752.
- Hinds, Manuel (2009): “The Poisoned Pool,” *International Finance* 12: 269-289.
- Issing, Otmar (2009): “Some Lessons from the Financial Market Crisis,” *International Finance* 12: 431-444.
- Mishkin, Frederic S., and Eugene N. White (2014): “Unprecedented Actions: The Federal Reserve’s Response to the Global Financial Crisis in Historical Perspective,” NBER WP 20737.
- Padoa-Schioppa, Tommaso (2008): “The Crisis in Perspective: The Cost of Being Quiet,” *International Finance* 11: 311-325.
- Pagano, Marco, and Paolo Volpin (2010): “Credit Ratings Failures and Policy Options,” *Economic Policy* 62: 401-431 (including comments).
- Pisani-Ferry, Jean, and André Sapir (2010): “Banking Crisis Management in the EU: An Early Assessment,” *Economic Policy* 62: 341-373 (including comments).
- Rajan, Raghuram G. (2010): *Fault Lines: How Hidden Fractures Still Threaten the World Economy*, Princeton University Press.
- Shin, Hyun Song (2009): “Reflections on Northern Rock: The Bank Run that Heralded the Global Financial Crisis,” *Journal of Economic Perspectives* 23: 101-119.
- Shirakawa, Masaaki (2010): “Revisiting the Philosophy behind Central Bank Policy,” *International Finance* 13:485-493.
- Wolf, Martin (2010): *Fixing Global Finance*, updated edition, The Johns Hopkins University Press, Baltimore.

On Financial Regulation after the Crisis, see also the Symposium in the Winter 2011 issue of the *Journal of Economic Perspectives*.

For a comprehensive discussion of financial crises in history, see Reinhart, Carmen M., and Kenneth S. Rogoff (2009): *This Time Is Different: Eight Centuries of Financial Folly*, Princeton University Press.

For an analysis of the recent global crisis in comparison to the Great Depression, see Eichengreen, Barry (2015): *Hall of Mirrors: The Great Depression, the Great Recession, and the Uses—and Misuses—of History*, Oxford University Press, 2015.

History of the International Monetary System After World War II

Eichengreen, Barry (2011): *Exorbitant Privilege: The Rise and Fall of the Dollar and the Future of the International Monetary System*, Oxford University Press, Oxford, UK.

Ronald I. McKinnon (2012): *The Unloved Dollar Standard: From Bretton Woods to the Rise of China*, Oxford University Press, Oxford, UK.

Macroeconomics after the Global Crisis

Caballero, Ricardo J. (2010): “Macroeconomics after the Crisis: Time to Deal with the Pretense-of-Knowledge Syndrome,” *Journal of Economic Perspectives* 24: 85-102.

Fuster, Andreas, David Laibson, and Brock Mendel (2010): “Natural Expectations and Macroeconomic Fluctuations,” *Journal of Economic Perspectives* 24: 67-84.

Hall, Robert E. (2010): “Why Does the Economy Fall to Pieces after a Financial Crisis?” *Journal of Economic Perspectives* 24: 3-20.

Ohanian, Lee E. (2010): “The Economic Crisis from a Neoclassical Perspective,” *Journal of Economic Perspectives* 24: 45-66.

Woodford, Michael (2010): “Financial Intermediation and Macroeconomic Analysis,” *Journal of Economic Perspectives* 24: 21-44.