

January 28, 2009

Financial Crises in Historical Perspective

Economics 210B
Spring 2009
Monday 12:00-2:00 p.m.
39 Evans Hall

Barry Eichengreen
Department of Economics
University of California, Berkeley

Reading List

Topic 1: Financial Crises—Overview

Summers, Lawrence H. 2005. "International Financial Crises: Causes, Prevention, and Cures," in *Economic Globalization in Asia*, (pp. 47-63), Manas Chatterji and Partha Gangopadhyay, eds. Ashgate. (Online reading only; printing not permitted.)

<http://books.google.com/books?hl=en&lr=&id=9kVdNzWA6qMC&oi=fnd&pg=PA47&dq=financial+crises&ots=8rK2DQDuZj&sig=TEAwKm3aZs--IK9hXPkSX3iqHIE>

Mishkin, Frederic. "Asymmetric Information and Financial Crises: A Historical Perspective," in *Financial Markets and Financial Crises* (Chapter 3, pp. 69-108), R. Glenn Hubbard, ed. Chicago: University of Chicago Press. On reserve at Haas.

Reinhart, Carmen and Kenneth Rogoff. 2008. "Banking Crises: An Equal Opportunity Menace." NBER Working Paper no. 14587 (December). <http://www.nber.org/papers/w14587.pdf>

Reinhart, Carmen and Kenneth Rogoff. 2008. "Is the 2007 U.S. Subprime Financial Crisis so Different? An International Historical Comparison." *American Economic Review* 98 (May).

http://www.economics.harvard.edu/faculty/rogoff/files/Is_The_US_Subprime_Crisis_So_Different.pdf

Topic 2: Bank Runs

Diamond, Douglas W., and Philip H. Dybvig. 1983. "Bank Runs, Deposit Insurance and Liquidity," *Journal of Political Economy* 91:3, pp. 401-419.
<http://www.jstor.org/stable/1837095>

Calomiris, Charles W. and Gary Gorton. 1991. "Origins of Banking Panics: Models, Facts, and Bank Regulation," in *Financial Markets and Financial Crises* (Chapter 4, pp. 109-174), R. Glenn Hubbard, ed. Chicago: University of Chicago Press. On reserve at Haas.

Wicker, Elmus. 1980. "A Reconsideration of the Causes of the Banking Panic of 1930." *The Journal of Economic History*, 40:3, pp. 571-583. <http://www.jstor.org/stable/2120754>

Saunders, Anthony and Berry Wilson. 1996. "Contagious Bank Runs: Evidence from the 1929-1933 Period." *Journal of Financial Intermediation* 5, pp.409-423.
http://www.sciencedirect.com/science?_ob=PublicationURL&_cdi=6876&_pubType=J&_acct=C000059607&_version=1&_urlVersion=0&_userid=4420&md5=e89851288569bde74d69fa970fd73894&jchunk=5#5

Calomiris, Charles W. and Joseph R. Mason. 1997. "Contagion and Bank Failures During the Great Depression: The June 1932 Chicago Banking Panic," *American Economic Review* 87:5, pp. 863-883. <http://www.jstor.org/stable/2951329>

Topic 3: Asset Prices and Financial Crises

Allen, Franklin and Douglas Gale. 2000. "Bubbles and Crises," *The Economic Journal* 110:460, pp. 236-255. <http://www.jstor.org/stable/pdfplus/2565656.pdf>

Bordo, Michael D. and Olivier Jeanne. 2002. "Boom-Busts in Asset Prices, Economic Instability, and Monetary Instability." NBER Working Paper 8966.
<http://www.nber.org/papers/w8966>

White, Eugene N. 1990. "The Stock Market Boom and Crash of 1929 Revisited," *Journal of Economic Perspectives* 4:2, pp. 67-83. <http://www.jstor.org/stable/1942891>

Brunnermeier, Markus and Stefan Nagel. 2004. "Hedge Funds and the Technology Bubble." *Journal of Finance* 59:5.
http://www.princeton.edu/~markus/research/papers/hedgefunds_bubble.pdf

Bernanke, Ben and Mark Gertler. 2001. "Should Central Banks Respond to Movements in Asset Prices?" *American Economic Review* 91:2, pp.253-257.
<http://graphics8.nytimes.com/packages/pdf/business/bernanke-article.pdf>

Bernanke, Ben and Mark Gertler. 1999. "Monetary Policy and Asset Price Volatility." *Federal Reserve Bank of Kansas City Economic Review*, 17-51.
<http://www.kc.frb.org/publicat/econrev/PDF/4q99bern.pdf>

Topic 4: Globalization and Financial Crises

Bordo, Michael D., Barry Eichengreen, and Douglas A. Irwin. 1999. "Is Globalization Today Really Different Than Globalization A Hundred Years Ago?" NBER Working Paper 7195. <http://www.nber.org/papers/w7195>

Bordo, Michael D and Christopher Meissner. 2005. "Financial Crises, 1880-1913: The Role of Foreign Currency Debt," NBER Working Paper no. 11173 (March).
<http://papers.nber.org/papers/w11173.pdf>

Obstfeld, Maurice and Alan M. Taylor. 2002. "Globalization and Capital Markets," NBER Working Paper 8846. <http://web.mit.edu/14.71/www/Obstfeld%20Glbilization.pdf>

Mauro, Paulo, Nathan Sussman and Yishay Yafeh. 2002. "Emerging Market Spreads: Then Versus Now," *Quarterly Journal of Economics* 117, pp.695-733.
<http://www.mitpressjournals.org/doi/abs/10.1162/003355302753650364>

Topic 5: International Contagion

Calvo, Guillermo. 1998. "Capital Market Contagion and Recession: An Explanation of the Russian Virus," in *Wanted: World Financial Stability* pp. 49-52, Eduardo Fernandez-Arias and Ricardo Hausmann, eds., Inter-American Development Bank. (Online reading only; printing not permitted.)
<http://books.google.com/books?hl=en&lr=&id=y8dvEuujcmwC&oi=fnd&pg=PA49&dq=Capital+Market+Contagion+and+Recession:+An+Explanation+of+the+Russian+Virus&ots=706bSIIyy9&sig=opuq-DYVYw7DdQPgl4FMBpGYNUw>

Kaminsky, Graciela L., Carmen M. Reinhart, and Carlos A. Vegh. 2003. "The Unholy Trinity of Financial Contagion," *Journal of Economic Perspectives*, 17:4, pp. 51-74. <http://www-personal.umich.edu/~kathrynd/JEP.Contagion.pdf>

Neal, Larry and Marc Weidenmier. 2005. "Crises in the Global Economy from Tulips to Today: Contagion and Consequences," in *Globalization in Historical Perspective* (Chapter 10, pp. 473-514), Michael D. Bordo, Alan M. Taylor, and Jeffrey G. Williamson, eds. Chicago: University of Chicago Press. <http://www.nber.org/chapters/c9596.pdf>

Bordo, Michael and Antu Murshid. 2000. "Are Financial Crises Becoming Increasingly More Contagious? What is the Historical Evidence on Contagion?" NBER Working Paper no.7900. <http://www.nber.org/papers/w7900.pdf>

Topic 6: The East Asian Crisis of 1997-98

Radelet, Steven, and Jeffrey D. Sachs. 1998. "The East Asian Financial Crisis: Diagnosis, Remedies, Prospects," *Brookings Papers on Economic Activity*, 1, pp. 1-74.
<http://www.cid.harvard.edu/archive/hiid/papers/bpeasia.pdf>

Furman, Jason and Joseph Stiglitz. 1998. "Economic Crises: Evidence and Insights from East Asia," *Brookings Papers on Economic Activity* 2, pp. 1-114.
<http://www.jstor.org/stable/2534693>

Morris Goldstein. 1998. *The Asian Financial Crisis: Causes, Cures and Systemic Implications*. Policy Analyses in International Economics 55, pp. 1-72. Peterson Institute for International Economics: Washington, D.C. (Online reading only; printing not permitted.) <http://bookstore.petersoninstitute.org/book-store/22.html>

Topic 7: The 2008 Credit Crisis

Eichengreen, Barry. "The Global Credit Crisis as History." Forthcoming in *Current History*.
http://www.econ.berkeley.edu/~eichengr/global_credit_crisis_history_12-3-08.pdf

Brunnermeier, Markus. 2009. "Deciphering the Liquidity and Credit Crunch 2007-2008." *Journal of Economic Perspectives* 23:1.
http://www.princeton.edu/~markus/research/papers/liquidity_credit_crunch.pdf

Greenlaw, David, Jan Hatzius, Anil Kashyap and Hyun Song Shin. 2008. "Leveraged Losses: Lessons from the Mortgage Meltdown." U.S. Monetary Policy Forum Report No. 2. Rosenberg Institute, Brandeis International Business School and Initiative on Global Markets, University of Chicago Graduate School of Business.
<http://faculty.chicagogsb.edu/anil.kashyap/research/MPFReport-final.pdf>

Baily, Martin, Robert Litan and Matthew Johnson. 2008. "The Origins of the Financial Crisis." The Initiative on Business and Public Policy, Fixing Finance Series-Paper 3 (November). Brookings Institution, Washington, DC.
http://www.brookings.edu/~media/Files/rc/papers/2008/11_origins_crisis_baily_litan/11_origins_crisis_baily_litan.pdf

Claudio Borio. 2008. "The Financial Turmoil of 2007-? A Preliminary Assessment and Some Policy Considerations," BIS Working Paper no.251 (March).
<http://www.bis.org/publ/work251.pdf?noframes=1>

Topic 8: Crisis Resolution

Butkiewicz, James. 1995. "The Impact of a Lender of Last Resort in the Great Depression: The Case of the Reconstruction Finance Corporation." *Explorations in Economic History* 32:2, pp.197-216.
http://www.sciencedirect.com/science?_ob=PublicationURL&_tockey=%23TOC%236796%231995%23999679997%23311437%23FLT%23&_cdi=6796&_pubType=J&_auth=y&_acct=C000059607&_version=1&_urlVersion=0&_userid=4420&md5=35aaa48a79aa575b3c81ba53bec39b8e

William Keeton (1992), "The Reconstruction Finance Corporation: Would it Work Today," *Economic Review of the Federal Reserve Bank of Kansas City* 1, pp. 33-54.
<http://www.kansascityfed.org/PUBLICAT/ECONREV/EconRevArchive/1992/1q92keet.pdf>

Lars Jonung, Jaako Kiander and Pentti Vartia. "The Great Financial Crisis in Finland and Sweden: The Dynamics of Boom, Bust and Recovery," European Economy Economic Papers no. 350 (December).
http://ec.europa.eu/economy_finance/publications/publication13551_en.pdf

Klingebiel, Daniel. 2000. "The Use of Asset Management Companies in the Resolution of Banking Crises: Cross-Country Experiences." World Bank Policy Research Working Paper No. 2284 (February). http://papers.ssrn.com/sol3/papers.cfm?abstract_id=282518