

MPRA

Munich Personal RePEc Archive

The first global financial crisis of the 21st century, Part II: Introduction

Reinhart, Carmen and Felton, Andrew

University of Maryland

22 February 2009

Online at <https://mpra.ub.uni-muenchen.de/45120/>
MPRA Paper No. 45120, posted 16 Mar 2013 04:16 UTC

The First Global Financial Crisis of the 21st Century: Part II, June-December, 2008
Andrew Felton and Carmen M. Reinhart, eds. (London: VoxEU and Centre for
Economic Policy Research, February, 2009).

Introduction

Sadly, our previous compilation of VoxEU columns, ‘The First Global Financial Crisis of the 21st Century,’ was not the last word on the subject. Since the publication of that volume in June 2008, the global crisis has both deepened and widened. The industrial world has seen the largest bank failures in its history, and many governments have intervened in the financial system in a manner that would once have been unthinkable. Wall Street and the City of London, along with most other financial centers, have been changed forever. Many storied financial firms have failed or been merged away, and others are left with significant ownership positions of national governments. The economy of Iceland has suffered a collapse just as sizable as any of Latin America or East Asia during the last few decades.

Vox authors have kept up their prolific pace of commenting on unfolding events. In keeping with the mission of Vox, columnists both applied existing economic research to understand events and pointed the way to new avenues for research. These articles, it has to be understood, were written ‘in the moment’ over the past six months and so incorporate to a varying extend the history we have lived through. To help place individual contributions within this historical

sequence, an appendix updates the timeline of events from our June publication through December. Another appendix provides a glossary of technical terms. As we did last time, we have divided the Vox columns into three thematic groupings. Columns in the first group describe how the crisis spread around the world and necessitated international coordination. The next group is about how the crisis has upended traditional thinking about financial economics. The final group of columns includes a plethora of policy critiques and proposals.

1. The spread of the crisis to the rest of the world

Perhaps the most notable recent development has been how quickly and forcefully the crisis has spread to the rest of the world. Danielsson provided a comprehensive account of the country hit hardest by the crisis, Iceland. The krona fell by more than 95 percent against the dollar and the nation's banking system is devastated. Lane thought that these events will propel Iceland into the arms of the European Union, a policy that Zoega thought was the only sensible prescription. Buiter and Sibert, who have been writing about Iceland for more than a year, called its downfall the 'predictable end of a non-viable business model.' Reisen predicted that emerging markets are still vulnerable to contagion and that they would try to rely less on private debt in the future. Reinhart and Reinhart identified a systematic predictor of a variety of crises in a large set of countries over the past few decades. Economies receiving large inflows of capital, termed 'capital flow bonanzas,' often run aground when those flows stall. Calvo and Loo-Kung wanted a preemptive bailout of emerging markets to cut off calls

for protectionism and nationalization. As equity markets plunge in unison around the world, Hesse examined how the wealth effect differs among countries, and found that the stock market wealth effect is smaller but still significant in emerging economies. Freytag and Pehnelt wanted to use the financial crisis to spur reform in emerging-market debt relief programs. In two articles, Subramanian discussed the credit crunch's impact on India and suggested that the government use its foreign exchange reserves to stabilize the economy.

Several columns discussed the need for coordinated international action. Muellbauer argued forcefully for a large, internationally coordinated interest rate cut. Others focused on intra-Europe cooperation. Gros and Micossi called for a European Financial Stability Fund to issue euro bonds to recapitalize the financial system. Di Noia suggested that Europe create a new financial regulatory system based on the four objectives of macroeconomic stability, microeconomic stability, investor protection and competition. Pagano's article was also in favor of a Euro-area bank supervisory authority. Taking a broad view, Rossi's philosophical piece discussed the impact of financial globalization on the role of the state and regulation.

Gros pointed out that many European banks are too large for their national governments to save and floats a few ideas about how to improve cross-border financial regulation. Persaud pointed out that the inability of national governments to save their banks will likely increase fiscal integration in the euro area. Gros and Micossi suggested that the ECB obtain the power to directly support large European banks and that Europe develop a cross-border rescue fund. Laeven

and Levine were more skeptical of one-size-fits-all plans, demonstrating how banks adapt to their local environments, especially with regard to corporate governance laws. Bertola and Lo Prete discussed how financial globalization and the current crisis will negatively impact welfare programs around the world. Although the 2005-era concerns about current account deficits now seem like a distant memory, Forbes reminded us that the dollar remains vulnerable and reliant on external funding. Reinhart and Reinhart pointed out that this foreign funding continued this year, even though the United States has been the epicenter of the financial crisis. This follows because large foreign official holdings of U.S. government debt has made the United States too big to fail, lessening external discipline on the policy response. Eichengreen questioned whether the IMF will have a useful role to play in this crisis – and if it does not, what that portends for its future status. He suggested that the Fund increase its lending to middleincome countries to help them through the current liquidity squeeze.

2. What is wrong with the traditional economic/financial viewpoint and models?

To many Vox columnists, the ongoing crisis has highlighted glaring omissions in economists' understanding of financial markets and institutions. The view that asset prices should equal their risk-adjusted expected return means that the smartest minds, with huge incentives, mispriced a huge variety of securities. The Vox contributors pointed out a number of current events that undermine traditional theories of finance; as Dale quipped, the current crisis 'is an academic crisis

too.’

Many of the problems had to do with transparency, principal-agent problems, and other forces keeping the purchaser of assets from understanding their underlying properties. Kiff, Mills, and Spackman discussed a number of problems with the European securitization market. Pagano explained how the opacity created by securitization led to surprisingly high systemic costs. Cohen focused on agency problems, which he said lead to a ‘Panglossian’ attitude in the financial sector. Sinn blamed limited liability laws, which he said encourage excessive risk taking, especially in the financial sector.

Mariano discussed transparency of ratings agencies, and found that their reputation concerns might not be enough to assure accurate ratings. Instead, reputation effects could cause ratings to be too conformist, too conservative, or too bold, and it is difficult *a priori* to find out which of these will result. Goodhart presented the view of the Financial Economists Roundtable on a variety of proposed reforms of the ratings industry.

Another aspect of financial markets brought to the forefront by the current crisis is that of liquidity: how easy it is to trade an asset. Pedersen explained asset liquidity – a concept not incorporated into most economic theories based on expected value. Persaud also wrote about liquidity and how a problem in subprime mortgages, less than 1 percent of the world’s debt stock, caused a cascade of failures throughout the financial system. González-Hermosillo, and Hesse examine various liquidity channels through which the problems spread beginning in 2007, including ABCP, SIVs, and interbank lending. Freixas and Parigi said that the

increased importance of liquidity and interconnection of banks makes the central bank's role as a lender of last resort even more important. Persaud argued against suspending mark-to-market accounting and proposes mark-to-funding accounting instead, which would weight market prices of assets by the durations of their offsetting liabilities.

The complexity, rapid growth, and interconnection of markets has prevented analysts from producing either a simple explanation of the crisis or a simple way to restart economic growth. Heinemann discussed the crisis in light of recent theoretical work on the possibility of asset price bubbles and game theory, particularly that of Princeton's Markus Brunnermeier. The work implied that a coordinated global signal is needed to get investors buying again.

Danielsson discussed the role of complexity in the crisis and tells regulators to focus on simple variables, like the leverage ratio. Bloom argues in two articles that the previous goodwill toward complexity has morphed into risk aversion and uncertainty, which will deter investment and likely lead to a severe recession that monetary and fiscal policy are powerless to avoid. One of the driving regulatory forces toward complexity was Basel II, which Repullo and Suarez found reinforced pro-cyclical capital requirements. Goodhart agreed that counter-cyclical policy is needed, although he focuses on the role of central bank policy. Giovannini said that a single regulatory policy cannot apply to universal banks, and advocated splitting them into 'client servicers' and 'capital managers.'

Coutert and Gex looked back to 2005, when the bankruptcy of auto parts supplier Delphi caused a minor crisis in the credit default swap market, for lessons

applicable today. The show that correlations on CDS spreads rose during the crisis, leading to potential contagion issues today after the recent bankruptcies of Lehman Brothers, etc..

Giavazzi discussed the puzzling spread between LIBOR and the expected path of policy interest rates, which was implying default rates far higher than even the most determined bear would predict. He pointed out that some banks may be deliberately withholding funds from the market in order to weaken competitors.

3. The proper governmental response

Eichengreen emphasized that, despite the temptation to blame the crisis on greed and corruption, policy has an important role to play in both explaining the cause and getting world markets out of it. Calomiris provided a useful overview of both private and public actions that precipitated the turmoil. Rancière urged policymakers not to throw out the baby of innovation and risk-taking out with the bathwater of systemic risk. Berglöff and Rosenthal warned Europe not to proclaim the end of capitalism too quickly, pointing out that many of the modern U.S. problems have their roots in policies enacted in the wake of earlier crises. Corsetti and Müller provided an overview of theory and simulations on the effectiveness of different types of fiscal policy versus monetary policy. Gros argued that governments should prefer to implement fiscal policy via tax cuts rather than infrastructure development. Castanheira advocated fiscal stimulus combined with explicit targeting of expanding future budgets deficits in order to manipulate expectations. Boltho and Carlin focused on Germany, which they said needs a

large financial stimulus despite being in better shape to weather the crisis than many other countries.

A number of columns discussed the United States' Troubled Asset Relief Program (TARP) and related government bailouts and guarantees. Zingales stated flatly that it wouldn't work. The problems of the banking sector were too large to pay for without cutting other necessary spending to prop up the real economy and provide debt relief to underwater homeowners. Wyplosz provided a half-hearted defense of the plan, however, as did Spaventa.

When the TARP was first announced, a flurry of columns came to a similar conclusion:

the real need was to recapitalize the banks rather than buy illiquid assets.

Persaud advocated a debt-for-equity swap. Buiter similarly focused on the need to recapitalize the banks. Acharya discussed the pros and cons of various recapitalization approaches, as well as related regulatory infrastructure improvements.

Zingales discussed why existing bankruptcy procedures might exacerbate the problem, but mentioned some game-theoretic problems with a pure recapitalization.

Calomiris also wanted purchases of preferred shares to recapitalize the banks.

4 The First Global Financial Crisis of the 21st Century Part II

Frankel summed up the 'emerging consensus.' Onado discussed bank recapitalization through the metaphor of Achilles and the turtle: banks losses were rising more quickly than capital could be acquired.

Cesari advocated the creation of an alternative to the TARP focused on debt

relief and increased regulation. Boeri suggested three ways of broadening the bank bailout plans to ensure more benefits for the general public: increase competition in the financial industry, reduce low-income tax rates, and provide mortgage debt relief.

Other discussion centered around how much to pay for troubled assets or charge for guarantees. Pagano discussed the theory of reverse auctions, which were to be the main policy tool of the TARP. Gros used option theory to show that if homeowners exercise their default options ruthlessly enough, then subprime mortgage securities could be mostly worthless.

Suarez discussed the necessity of government guarantees of bank debt just as a number of countries were launching similar programs. Acharya and Sundaram focused on how the United States and United Kingdom were pricing their bank debt guarantees and found that the U.S. guarantee was much more favorable to the banks than the U.K. guarantee was. Gros and Micossi discussed the impact of direct bailouts, such as of AIG, and how European banks were too big for any one national government to save.

Wyplosz contrasted the ‘Larry Summers’ approach, keeping investors from taking flight, with the ‘Willem Buiter’ approach to making investors stomach the risks they knew they were taking. de la Dehesa alerted us to the difference between a credit ‘crunch,’ in which the quantity of credit is lessened, with a ‘squeeze,’ in which the adjustment is on the price side, and concluded that the euro area—at least in July—was suffering neither.

Some columns discussed governmental responses to past crises. Claessens et al

found that recessions instigated by financial crises are usually much longer and deeper than those from other causes. Laeven, who collected results mostly from prior studies, reported that the average crisis costs about 15 percent of GDP – which would be more than \$2 trillion in the United States alone. Kobayashi recapped some of the mistakes that Japan made during the 1990s, specifically with regard to the choice about recapitalizing ‘zombie’ banks. Similar to Gros and Micossi, he called for a global ‘Financial System Stabilisation Fund.’ Eichengreen compared the current situation to the Great Depression and finds sobering similarities. Hughson and Weidenmier discussed the importance of a lender of last resort in the historical context of seasonal liquidity crises before the Federal Reserve.

Finally, Duflo managed to find a potential silver lining to the crisis: high salaries in the financial sector have attracted many of society’s brightest minds, which will now have to refocus on more socially useful activities.

References

- Abreu, D., and M. Brunnermeier, "Bubbles and Crashes," *Econometrica* 71 (2003): 173-204.
- Acharya, V.V., S. Schaefer, and Y. Zhang, "Liquidity risk and correlation risk: A clinical study of the General Motors and Ford Downgrade of May 2005," Working Paper, SSRN 2007.
- Acharya, Viral V., and Tanju Yorulmazer, "Cash-in-the-market pricing and optimal resolution of bank failures," *Review of Financial Studies* (forthcoming 2008).
- Acharya, Viral, "From recapitalisation to restructuring and reforms," VoxEU.org (October 12, 2008), <http://www.voxeu.org/index.php?q=node/2406>.
- Acharya, Viral, and Lasse Heje Pedersen, "Asset Pricing with Liquidity Risk," *Journal of Financial Economics* 77 (2005): 375-410.
- Acharya, Viral, and Raghu Sundaram, "The other part of the bailout: Pricing and evaluating the US and UK loan guarantees," VoxEU.org (October 26, 2008), <http://www.voxeu.org/index.php?q=node/2487>.
- Adrian, T., and H.S. Shin, "Liquidity and Financial Cycles," BIS Working Paper 256 (2008).
- Adrian, Tobias, and Hyun Song Shin. "Liquidity, Monetary Policy, and Financial Cycles," in Federal Reserve Bank of New York, *Current Issues in Economics and Finance*, January-February 2008.
- Allen, F., and D. Gale, "Financial Contagion," *Journal of Political Economy* 108 (2000): 1-33.
- Allen, F., Gale, D., "Financial contagion," *Journal of Political Economy* 108, no. 1 (2000): 1-33.
- Altman E., and H. Rijken, "A Point in Time Perspective on Through the Cycle Ratings," *Financial Analysts Journal* 62, no. 1 (2006): 54-70.
- Altman, E., and H. Rijken, "How Rating Agencies Achieve Rating Stability," *Journal of Banking & Finance* 28 (2004): 2629-2714.
- Amihud, Yakov, and Haim Mendelson, "Asset pricing and the bid-ask spread," *Journal of Financial Economics* 17 (1986): 223-49.
- Amihud, Yakov, and Haim Mendelson, and Lasse Heje Pedersen, "Liquidity and Asset Prices," *Foundations and Trends in Finance* 1, no. 4 (2005): 269-364.

- Bagehot, W., *Lombard Street: A Description of the Money Market* (London: H.S. King, 1873).
- Bank of England, "Markets and Operations," *Quarterly Bulletin*, Second Quarter 2008.
- Barro, R.J., and D.B. Gordon, "A Positive Theory of Monetary Policy in a Natural Rate Model," *Journal of Political Economy* 91 (1983): 589-610.
- Bebchuk, Lucien A., "A plan for addressing the financial crisis," Johnson M. Olin Center for Law, Economics and Business, Discussion Paper 628, September 2008.
- Becker, S.O., and M-A. Muendler, "The Effect of FDI on Job Security," *B.E. Journal of Economic Analysis and Policy* 8 (2008): 1-44.
- Berglöf, Erik, and Howard Rosenthal, "Not the end of capitalism," VoxEU.org (October 2, 2008), <http://www.voxeu.org/index.php?q=node/1778>.
- Bernanke, Ben, "Irreversibility, Uncertainty and Cyclical Investment," *Quarterly Journal of Economics* 98, no. 1 (1983): 85-106.
- Bernstein, Asaf, Eric Hughson, and Marc D. Weidenmier, "Can a Lender of Last Resort Stabilize Financial Markets? Lessons from the Founding of the Fed," NBER Working Paper (2008).
- Bertola, Giuseppe, and Anna Lo Prete, "Finance, redistribution, globalization," VoxEU.org (December 3, 2008), <http://www.voxeu.org/index.php?q=node/2641>.
- Bertola, Giuseppe, and Anna Lo Prete, "Openness, Financial Markets, and Policies: Cross-Country and Dynamic Patterns," CEPR Discussion Paper 7048 (2008).
- Blanco R., S. Brennan, and I. W. Marsh, "An empirical analysis of the dynamic relationship between investment grade bonds and credit default swaps," Research Paper (Cass Business School, 2004).
- Bloom, Nicholas, "The credit crunch may cause another great depression," October 8, 2008, <http://www.voxeu.org/index.php?q=node/2243>.
- Bloom, Nicholas, "The impact of uncertainty shocks," NBER Working Paper, no. 13385 (2007).
- Bloom, Nicholas, "Will the credit crunch lead to recession?," VoxEU.org (June 4, 2008), <http://www.voxeu.org/index.php?q=node/1198>.

- Bloom, Nick, "The Impact of Uncertainty Shocks," National Bureau of Economic Research Working Paper 13385, also available as CEP Discussion Paper 718 (2007).
- Bloom, Nick, Stephen Bond, and John Van Reenen, "Uncertainty and Investment Dynamics," *Review of Economic Studies* 74 (2007): 391-415.
- Boeri, Tito, "Involving European citizens in the benefits of the rescue plan: The political paradoxes of bank socialism," VoxEU.org (October 15, 2008), <http://www.voxeu.org/index.php?q=node/2445>.
- Bohn, Henning, and Linda Tesar, "U.S. Equity Investment in Foreign Markets: Portfolio Rebalancing or Return Chasing?," *American Economic Review: Papers & Proceedings* 86 (1996): 77-81.
- Boltho, Andrea, and Wendy Carlin, "Germany needs high wage settlements and a serious fiscal stimulus," November 26, 2008, <http://www.voxeu.org/index.php?q=node/2613>.
- Brady, Nicholas F., Eugene A. Ludwig, and Paul Volcker, "Resurrect the Resolution Trust Corp.," *Wall Street Journal*, September 17, 2008.
- Brunnermeier, M., and J. Morgan, "Clock Games: Theory and Experiments," Working Paper (2005).
- Brunnermeier, Markus K., and Lasse Heje Pedersen, "Market Liquidity and Funding Liquidity," June 2008.
- Brunnermeier, Markus K., and Lasse Heje Pedersen, "Predatory Trading," *Journal of Finance* 60, no. 4 (2005): 1825-63.
- Brunnermeier, Markus, Stefan Nagel, and Lasse Heje Pedersen, "Carry Trades and Currency Crashes," *NBER Macroeconomics Annual* (forthcoming 2008).
- Buiter, Willem, "The Paulson Plan: A useful first step but nowhere near enough," VoxEU.org (September 25, 2008), <http://www.voxeu.org/index.php?q=node/1706>.
- Buiter, Willem, and Sibert, Anne, "The collapse of Iceland's banks: the predictable end of a non-viable business model," VoxEU.org (October 30, 2008), <http://www.voxeu.org/index.php?q=node/2498>.
- Buiter, Willem, and Sibert, Anne, "The Icelandic banking crisis and what to do about it: The lender of last resort theory of optimal currency areas," *CEPR Policy Insight*, no. 26 (2008).

- Burgess, Kate, "Investors propose code for rights issues," *Financial Times*, July 30, 2008.
- Caballero, R., T. Hoshi, and A. Kashyap, "Zombie lending and depressed restructuring in Japan," *American Economic Review* (forthcoming 2008).
- Caballero, Ricardo, Emmanuel Farhi, and Pierre-Olivier Gourinchas, "An Equilibrium Model of 'Global Imbalances' and Low Interest Rates," *American Economic Review* 98, no. 1 (2008): 358-93.
- Calomiris, Charles W., "A matched preferred stock plan for government assistance," VoxEU.org (September 22, 2008), <http://www.voxeu.org/index.php?q=node/1683>.
- Calomiris, Charles W., "The subprime turmoil: What's old, what's new, and what's next," VoxEU.org (August 22, 2008), <http://www.voxeu.org/index.php?q=node/1561>.
- Calvo, Guillermo A., "Capital Flows and Capital-Market Crises: The Simple Economics of Sudden Stops," *Journal of Applied Economics* 1, no. 1 (1998): 35-54.
- Calvo, Guillermo, and Rudy Loo-Kung, "Rapid and large liquidity funding for emerging markets," VoxEU.org (December 10, 2008), <http://www.voxeu.org/index.php?q=node/2676>.
- Calvo, Guillermo, *Emerging Capital Markets in Turmoil* (MIT Press, 2005).
- Caouette, J., E. Altman, and P. Narayanan, *Managing Credit Risk* (2nd ed., John Wiley & Sons, New York, 2008).
- Carlin, W., and D. Soskice, "German economic performance: disentangling the role of supply-side reforms, macroeconomic policy and coordinated economy institutions," *Socio-Economic Review* (2008).
- Castanheira, Micael, "Episode V: Expectations strike back," VoxEU.org (October 14, 2008), <http://www.voxeu.org/index.php?q=node/2431>.
- Cesari, Riccardo, "TARP2: A totally alternative relief programme," VoxEU.org (October 18, 2008), <http://www.voxeu.org/index.php?q=node/2457>.
- Claessens, Stijn, M. Ayhan Kose, and Marco E. Terrones, "Global financial crisis: How long? How deep?," VoxEU.org (October 7, 2008), <http://www.voxeu.org/index.php?q=node/2083>.
- Claessens, Stijn, M. Ayhan Kose, and Marco Terrones, "What Happens During Recessions, Crunches and Busts?," IMF Working Paper (forthcoming 2008).

- Cohen, Daniel, "The Panglossian World of Finance," VoxEU.org (June 3, 2008), <http://www.voxeu.org/index.php?q=node/1197>.
- Cohen, Daniel, and Sebastien Villemot, "Self fulfilling and self enforcing debt crises," CEPR Discussion Paper 6718 (2008).
- Corsetti, Giancarlo, and Gernot Müller, "The effectiveness of fiscal policy depends on the financing and monetary policy mix," VoxEU.org (November 12, 2008), <http://www.voxeu.org/index.php?q=node/2554>.
- Corsetti, Giancarlo, André Meier, and Gernot Müller, "The transmission of fiscal policy: the role of financing and policy mix," European University Institute Mimeograph (2008).
- Corsetti, Giancarlo, André Meier, and Gernot Müller, "The transmission of fiscal policy in open economy," European University Institute Mimeograph (2008).
- Coudert, Virginie, and Mathieu Gex, "Contagion in the Credit Default Swap Market: the case of the GM and Ford Crisis in 2005," CEPR Working Paper 2008-14 (2008).
- Coudert, Virginie, and Mathieu Gex, "Stormy Weather in the Credit Default Swap Market," VoxEU.org (October 13, 2008), <http://www.voxeu.org/index.php?q=node/2420>.
- Curcuro, Stephanie, Tomas Dvorak, and Francis Warnock, "The Stability of Large External Imbalances: The Role of Returns Differentials," *Quarterly Journal of Economics* (forthcoming 2008).
- Dale, Richard, "The financial meltdown is an academic crisis too," November 27, 2008, <http://www.voxeu.org/index.php?q=node/2618>.
- Dale, Richard, *International Banking Deregulation: The Great Banking Experiment* (Wiley-Blackwell, 1993).
- Dale, Richard, *The First Crash: Lessons from the South Sea Bubble* (Princeton University Press, 2004).
- Danielsson, Jon, "Blame the Models," *Journal of Financial Stability* (forthcoming 2008).
- Danielsson, Jon, "The first casualty of the crisis: Iceland," VoxEU.org (November 12, 2008), <http://www.voxeu.org/index.php?q=node/2549>.
- De Grauwe, Paul, "Cherished myths fall victim to economic reality," *Financial Times*, July 22, 2008.

- De Grauwe, Paul, "Returning to Narrow Banking," in B. Eichengreen and R. Baldwin, *What G20 Leaders Must Do to Stabilise the Economy and Fix the Financial System* (VoxEU.org (2008)).
- de la Dehesa, Guillermo, "Is the euro area facing a credit crunch or a credit squeeze?," VoxEU.org (July 16, 2008), <http://www.voxeu.org/index.php?q=node/1408>.
- Department of Treasury, *Blueprint for a modernized financial regulatory structure* (2008).
- Di Giorgio e Di Noia, *Financial Regulation and Supervision in the Euro Area: A Four-Peak Proposal* (2001).
- Di Noia e Di Giorgio, "Should Banking Supervision and Monetary Policy Tasks be Given to Different Agencies," *International Finance* (1999).
- Di Noia, Carmine, "A proposal on financial regulation in Europe for the next European Council," VoxEU.org (October 20, 2008), <http://www.voxeu.org/index.php?q=node/2462>.
- Diamond, Douglas, and Philip Dybvig, "Bank Runs, Deposit Insurance, and Liquidity," *Journal of Political Economy* 91, no. 3 (1983): 401-19.
- Dooley, Michael P., David Folkerts-Landau, and Peter Garber, "The revived Bretton Woods system," *International Journal of Finance & Economics* 9, no. 4 (2004): 307-13.
- Dornbusch, Rudiger, "Exchange Rate Economics: Where Do We Stand," *Brookings Papers on Economic Activity* 1 (1980): 143-85.
- Duffie, Darrell, Nicolae Garleanu, and Lasse Heje Pedersen, "Over-the-counter markets," *Econometrica* 73, no. 6 (2005): 1815-47.
- Duffie, Darrell, Nicolae Garleanu, and Lasse Heje Pedersen, "Securities lending, shorting, and pricing," *Journal of Financial Economics* 66 (2002): 307-39.
- Duffie, Darrell, Nicolae Garleanu, and Lasse Heje Pedersen, "Valuation in Over-the-Counter Markets," *Review of Financial Studies* 20, no. 5 (2007): 1865-1900.
- Eichengreen, Barry, "Anatomy of the financial crisis," VoxEU.org (September 23, 2008), <http://www.voxeu.org/index.php?q=node/1684>.
- Eichengreen, Barry, "And now the Great Depression," VoxEU.org (September 28, 2008), <http://www.voxeu.org/index.php?q=node/1718>.

- Eichengreen, Barry, “Can the IMF save the world?,” VoxEU.org (October 7, 2008), <http://www.voxeu.org/index.php?q=node/2087>.
- Einaudi, L., “Dei diversi significati del concetto di liberismo economico e dei suoi rapporti con quello del liberalismo” (1931), in B. Croce and L. Einaudi, *Liberismo e liberalismo* (Ricciardi: Milan and Naples, 1988), English translation in Luigi Einaudi, *Selected Economic Essays* (Palgrave Macmillan: Basingstoke and New York, 2006): 75-76.
- Elmendorf, Douglas M., “Concerns about the Treasury Rescue Plan,” Brookings, September 25, 2008.
- Englund, Peter, “The Swedish Banking Crisis: Roots and Consequences,” *Oxford Review of Economic Policy* 15, no. 3 (1999): 80-97.
- Felton, A., and C. Reinhart, *The First Global Financial Crisis of the 21st Century*, (VoxEU.org (2008).
- Fishe, R. P. H., and M. Wohar, “The Adjustment of Expectations to a Change in Regime: Comment,” *American Economic Review* 80, no. 4 (1990): 531-55.
- Forbes, K., and R. Rigobon, “No contagion, only interdependence: Measuring stock market co-movements,” *Journal of Finance* 57, no. 5 (2002): 2223-61.
- Forbes, Kristin J., “Why do Foreigners Invest in the United States?,” NBER Working Paper 13908 (2008).
- Forbes, Kristin, “What Next for the Dollar? The Role of Foreigners,” VoxEU.org (June 12, 2008), <http://www.voxeu.org/index.php?q=node/1213>.
- Frank, Nathaniel, Brenda González-Hermosillo, and Heiko Hesse, “Transmission of liquidity shocks: Evidence from the 2007 subprime crisis,” VoxEU.org (September 13, 2008), <http://www.voxeu.org/index.php?q=node/1643>.
- Frank, Nathaniel, Brenda González-Hermosillo, and Heiko Hesse, “Transmission of Liquidity Shocks: Evidence from the 2007 Subprime Crisis,” IMF Working Paper 08/200 (2008).
- Frankel, Jeffrey, “An emerging consensus against the Paulson Plan: Government should force bank capital up, not just socialise the bad loans,” VoxEU.org (September 23, 2008), <http://www.voxeu.org/index.php?q=node/1691>.
- Freixas, X., and B.M. Parigi, “Lender of last resort and bank closure policy,” CESifo Working Paper 2286, April 2008.

- Freixas, X., and J. Jorge, "The role of Interbank Markets in Monetary Policy: A model with rationing," *Journal of Money, Credit and Banking* (forthcoming 2007).
- Freixas, X., B.M. Parigi, and J-C. Rochet, "Systemic Risk, Interbank Relations and Liquidity Provision by the Central Bank," *Journal of Money, Credit and Banking* 32 (2000): 611-38.
- Freixas, X., B.M. Parigi, and J-C. Rochet, "The Lender of Last Resort: A 21st Century Approach," *Journal of the European Economic Association* 2 (2004): 1085-1115.
- Freixas, Xavier, and Bruno M. Parigi, "The lender of last resort of the 21st century," VoxEU.org (December 22, 2008), <http://www.voxeu.org/index.php?q=node/2717>.
- Freytag, Andreas, and Gernot Pehnelt, "Debt Relief and Governance Quality in Developing Countries," *World Development* 37 (2009): 62-80.
- Freytag, Andreas, and Gernot Pehnelt, "The political economy of debt relief," VoxEU.org (December 11, 2008), <http://www.voxeu.org/index.php?q=node/2680>.
- Funke, Norbert, "Is there a stock market wealth effect in emerging markets?," *Economics Letters* 83, no. 3 (2004): 417-21.
- Galai, D. and R. Masulis, "The Option Pricing Model and the Risk Factor of Stock," *Journal of Financial Economics* 3 (1976): 53-81.
- Garber, Peter, "Famous First Bubbles," *Journal of Economic Perspectives*, Spring 1990.
- Garleanu, Nicolae, and Lasse Heje Pedersen, "Liquidity and Risk Management," *American Economic Review* 97, no. 2 (2007): 193-97.
- Giavazzi, Francesco, "Why does the spread between LIBOR and expected future policy rates persist, and should central banks do something about it?," VoxEU.org (June 2, 2008), <http://www.voxeu.org/index.php?q=node/1188>.
- Giovannini, Alberto, "Let banks be banks, let investors be investors," VoxEU.org (November 22, 2008), <http://www.voxeu.org/index.php?q=node/2605>.
- Goldin, Claudia, and Lawrence Katz, "Transitions: Career and Family Life Cycles of the Educational Elite," *American Economic Review* 98, no. 2 (2008): 263-69.
- Goodfriend, M., and R. King, "Financial Deregulation Monetary Policy and Central Banking," in W. Haraf and R.M. Kushmeider eds., *Restructuring Banking and Financial Services in America* 481 (Lanham, Md.: UPA, 1988).
- Goodhart, C. A. E., "Why do Banks need a Central Bank?," *Oxford Economic Papers* 39 (1987): 75-89.

- Goodhart, Charles A.E., “Central banks’ function to maintain financial stability: An uncompleted task,” VoxEU.org (June 24, 2008), <http://www.voxeu.org/index.php?q=node/1263>.
- Goodhart, Charles A.E., “The Financial Economists Roundtable’s statement on reforming the role of SROs in the securitisation process,” VoxEU.org (December 5, 2008), <http://www.voxeu.org/index.php?q=node/2667>.
- Gordy, M. “A Risk-Factor Model Foundation for Ratings-Based Bank Capital Rules,” *Journal of Financial Intermediation*, 12, 199-232 (2003).
- Greenlaw, David, Jan Hatzius, Anil K. Kashyap, and Hyun Song Shin, “Leveraged Losses: Lessons from the Mortgage Market 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, 2008): 34.
- Gros, Daniel, “‘No recourse’ and ‘put options’: Estimating the ‘fair value’ of US mortgage assets,” VoxEU.org (September 27, 2008), <http://www.voxeu.org/index.php?q=node/1714>.
- Gros, Daniel, “Can Europe take care of its own financial crisis?,” VoxEU.org (October 12, 2008), <http://www.voxeu.com/index.php?q=node/2409>.
- Gros, Daniel, “Fiscal policy and the credit crunch: What will work?,” VoxEU.org (December 21, 2008), <http://www.voxeu.org/index.php?q=node/2721>.
- Gros, Daniel, and Stefano Micossi, “A call for a European Financial Stability Fund,” VoxEU.org (October 30, 2008), <http://www.voxeu.org/index.php?q=node/2506>.
- Gros, Daniel, and Stefano Micossi, “Crisis management tools for the euro-area,” VoxEU.org (September 30, 2008), <http://www.voxeu.org/index.php?q=node/1722>.
- Gros, Daniel, and Stefano Micossi, “The beginning of the end game...,” VoxEU.org (September 20, 2008), <http://www.voxeu.org/index.php?q=node/1669>.
- Harding, Don, and Adrian Pagan, “Dissecting the Cycle: A Methodological Investigation,” *Journal of Monetary Economics* 49 (2002): 365-81.
- Heinemann, Frank, “Escaping from a Combined Liquidity Trap and Credit Crunch,” VoxEU.org (October 26, 2008), <http://www.voxeu.org/index.php?q=node/2485>.
- Henry, Peter Blair, “Do Stock Market Liberalizations Cause Investment Booms?,” *Journal of Financial Economics* 58 (2000): 301-34.

- Hesse, Heiko, "Stock market wealth effects in emerging market countries," VoxEU.org (October 16, 2008), <http://www.voxeu.org/index.php?q=node/2447>.
- Hickman, W. Braddock, *Statistical Measures of Corporate Bond Financing since 1900* (Princeton: Princeton University Press, 1960).
- Hughson, Eric, and Marc Weidenmier, "Financial markets and a lender of last resort," VoxEU.org (November 28, 2008), <http://www.voxeu.org/index.php?q=node/2625>.
- International Monetary Fund, "Three essays on how financial market affect real activity," *World Economic Outlook, World Economic and Financial Surveys* (Washington, April 2002).
- International Monetary Fund, *Global Financial Stability Report* (Washington, October 2008).
- International Monetary Fund, *Global Financial Stability Report*, July 28, 2008.
- Izquierdo, A., and E. Talvi, *All that glitters may not be gold: assessing Latin America's recent macroeconomic performance* (Inter-American Development Bank, 2008).
- Jappelli, Tullio, and Marco Pagano, "Savings, Growth, and Liquidity Constraints," *Quarterly Journal of Economics* 109, no. 1 (1994): 83-109.
- Jensen, M. and W. Meckling, "Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure," *Journal of Financial Economics* 3 (1976): 305-60.
- John, K., L. Litov, and B. Yeung, "Corporate Governance and Managerial Risk Taking: Theory and Evidence," *Journal of Finance* (forthcoming 2008).
- Johnson, Simon, and James Kak, "The price of salvation," FT.com, Economists' Forum, September 25, 2008.
- Ju, Jiandong, and Shang-Jin Wei, "A Solution to Two Paradoxes of International Capital Flows," NBER Working Paper 12668 (2006).
- Kaminsky, G. L., and C. M. Reinhart, "On crises, contagion, and confusion," *Journal of International Economics* 51, no. 1 (June 2000): 145-68.
- Kashyap, A., and J. Stein, "Cyclical Implications of the Basel II Capital Standards," *Economic Perspectives* (Federal Reserve Bank of Chicago, 2004): 18-31.
- Kemmerer, E.W., "Seasonal Variations in the New York Money Market," *American Economic Review* 1, no. 1 (1910): 33-49.

- Kiff, John, Paul Mills, and Carlyne Spackman, "European securitisation and the possible revival of financial innovation," VoxEU.org (October 28, 2008), <http://www.voxeu.org/index.php?q=node/2494>.
- Kobayashi, K., "Payment uncertainty, the division of labor, and productivity declines in great depressions," *Review of Economic Dynamics* 9 (2006): 715-41.
- Kobayashi, K., "Subprime Loan Crisis – Lessons from Japan's Decade of Deception" (2008).
- Kobayashi, K., and S. Kato, "Nihon keizai no Wana (Trap of the Japanese Economy)" (Tokyo: Nihon Keizai Shinbunsha, 2001).
- Kobayashi, Keiichiro, "Financial crisis management: Lessons from Japan's failure," VoxEU.org (October 27, 2008), <http://www.voxeu.org/index.php?q=node/2483>.
- Kroszner, Randall S., and Raghuram G. Rajan, "Is the Glass-Steagall Act Justified? A Study of the U.S. Experience with Universal Banking before 1933," *American Economic Review* 84, no. 4 (September 1994): 810-32.
- Laeven, L., and F. Valencia, "Systemic Banking Crises: A New Database," Working Paper 08/224 (International Monetary Fund 2008).
- Laeven, Luc, "The cost of resolving financial crises," VoxEU.org (October 31, 2008), <http://www.voxeu.org/index.php?q=node/2505>.
- Laeven, Luc, and Ross Levine, "Bank Governance, Regulation, and Risk-Taking," *Journal of Financial Economics* (forthcoming 2008), <http://www.nber.org/papers/w14113>.
- Laeven, Luc, and Ross Levine, "Governance of banks," VoxEU.org (September 29, 2008), <http://www.voxeu.org/index.php?q=node/1717>.
- Lamont, Owen A., "Go down fighting: Short sellers vs. firms," Working Paper, University of Chicago (2003).
- Lane, Philip, "Iceland: The future is in the EU," VoxEU.org (November 6, 2008), <http://www.voxeu.org/index.php?q=node/2521>.
- Ludwig, Alexander, and Torsten Sløk, "The Relationship between Stock Prices, House Prices and Consumption in OECD Countries," *Topics in Macroeconomics* 4, no. 1 (2004).
- Mariano, Beatriz, "Do reputational concerns lead to reliable ratings?," VoxEU.org (July 12, 2008), <http://www.voxeu.org/index.php?q=node/1397>.

- McLaughlin, Dan, "Bank of Ireland Global Markets," Letter, *Financial Times*, September 25, 2008.
- Mendoza, Enrique, Vincenzo Quadrini, and José-Víctor Ríos-Rull, "Financial Integration, Financial Deepness and Global Imbalances," NBER Working Paper 12909 (2006).
- Miron, Jeff, "The Nominal Interest Rate, Seasonality, and the Founding of the Fed," *American Economic Review* (1986).
- Mitchell, Mark, Lasse Heje Pedersen, and Todd Pulvino, "Slow Moving Capital," *American Economic Review* 97, no. 2 (2007): 215-20.
- Moen, Jon, and Ellis Tallman, "Clearinghouse Membership and Deposit Contraction during the Panic of 1907," *Journal of Economic History* 60, no. 1 (2000): 145-63.
- Monacelli, Tommaso, and Roberto Perotti, "Fiscal Policy, the Trade Balance and the Real Exchange Rate: Implications for International Risk Sharing," Mimeograph (2006).
- Muellbauer, John N, "The folly of the central banks of Europe," VoxEU.org (October 27, 2008), <http://www.voxeu.org/index.php?q=node/2488>.
- Muellbauer, John, "Housing, credit and consumer expenditure," in *Housing Finance, and Monetary Policy: a Symposium* (Federal Reserve Bank of Kansas City, 2007): 267-334.
- Neal, Larry, *The Rise of Financial Capitalism: International Capital Markets in the Age of Reason* (Cambridge University Press, 2000).
- OECD, *Growing Unequal: Income Distribution and Poverty in OECD Countries* (Paris: OECD, 2008).
- Onado, Marco, "Banks' losses and capital: The new version of the paradox of Achilles and the tortoise," VoxEU.org (August 19, 2008), <http://www.voxeu.org/index.php?q=node/1555>.
- Orszag, Peter, "Federal Responses to Market Turmoil," speech given at the Committee on the Budget, U.S. House of Representatives (September 24, 2008).
- Padoa-Schioppa, Tommaso, "Europe Needs a Single Financial Rulebook," *Financial Times*, December 11, 2007.
- Pagano, Marco, "The European response to the crisis: Not quite there yet," VoxEU.org (October 17, 2008), <http://www.voxeu.org/index.php?q=node/2454>.

- Pagano, Marco, "The Subprime Lending Crisis: Lessons for Policy and Regulation," in Unicredit Group, *Finance Monitor*, June 2008.
- Pagano, Marco, and Paolo Volpin, "Securitization, Transparency and Liquidity," CSEF Working Papers, no. 210, Centre for Studies in Economics and Finance (CSEF).
- Pagano, Marco, "What is a reverse auction?," VoxEU.org (October 21, 2008), <http://www.voxeu.org/index.php?q=node/2469>.
- Pagano, Marco, "The price of transparency," VoxEU.org (October 8, 2008), <http://www.voxeu.org/index.php?q=node/2269>.
- Partnoy, Frank, "The Siskel and Ebert of Financial Markets? Two Thumbs Down for the Credit Rating Agencies," *Washington University Law Quarterly* 77 (October 1999).
- Pedersen, Lasse Heje, "Liquidity risk and the current crisis," VoxEU.org (November 15, 2008), <http://www.voxeu.org/index.php?q=node/2566>.
- Perkins, Edwin, "The Divorce of Commercial and Investment Banking," *Banking Law Journal* (June 1971): 523.
- Persaud, Avinash, "How risk sensitivity led to the greatest financial crisis of modern times," VoxEU.org (October 7, 2008), <http://www.voxeu.org/index.php?q=node/2101>.
- Persaud, Avinash, "Reason with the messenger; don't shoot him: value accounting, risk management and financial system resilience," VoxEU.org (October 12, 2008), <http://www.voxeu.org/index.php?q=node/2407>.
- Persaud, Avinash, "The financial crisis may hasten European integration but slow global banking," VoxEU.org (October 6, 2008), <http://www.voxeu.org/index.php?q=node/2070>.
- Persaud, Avinash, "The right alternative to Paulson's plan," VoxEU.org (September 27, 2008), <http://www.voxeu.org/index.php?q=node/1715>.
- Philippon, Thomas, "Why Has the U.S. Financial Sector Grown so Much?," NYU Stern Mimeograph.
- Philippon, Thomas, and Ariell Reshef, "Skill Biased Financial Development: Education, Wages and Occupations in the U.S. Finance Sector," NYU Stern Business School Mimeograph, September 2007.

- Psalida, L. Effie, Heiko Hesse, and Tao Sun, International Monetary Fund, “Spillovers to Emerging Equity Markets,” in *Global Financial Stability Report, World Economic and Financial Surveys* (Washington, October 2008).
- Rancière, Romain, Aaron Tornell, and Frank Westermann, “An international perspective on the US bailout,” VoxEU.org (October 20, 2008), <http://www.voxeu.org/index.php?q=node/2461>.
- Rancière, Romain, Aaron Tornell, and Frank Westermann, “Systemic Crises and Growth,” *Quarterly Journal of Economics* 123, no. 1 (2008): 359-406.
- Ravn, Morten, Stephanie Schmitt-Grohé, and and Martín Uribe, “Explaining the Effects of Government Spending Shocks on Consumption and the Real Exchange Rate,” CEPR Discussion Paper 6541, October 2007.
- Reinhart, Carmen M. and Kenneth S. Rogoff, “This Time is Different: A Panoramic View of Eight Centuries of Financial Crises,” NBER Working Paper 13882, March 2008.
- Reinhart, Carmen M., and Reinhart, Vincent, “From capital flow bonanza to financial crash,” VoxEU.org (October 23, 2008), <http://www.voxeu.org/index.php?q=node/2478>.
- Reinhart, Carmen M., and Vincent Reinhart, “Capital Flow Bonanzas: An Encompassing View of the Past and Present,” CEPR Discussion Paper, no. 6996 (October 2008).
- Reinhart, Carmen M., and Vincent Reinhart, “Is the US too big to fail?,” VoxEU.org (November 17, 2008), <http://www.voxeu.org/index.php?q=node/2568>.
- Reinhart, Carmen M., Kenneth Rogoff, and Miguel Savastano, “Debt Intolerance,” *Brookings Papers on Economic Activity* 34 (The Brookings Institution, 2003): 1-74.
- Reinhart, Carmen, and Kenneth Rogoff, “The Forgotten History of Domestic Debt,” NBER Working Paper 13946, April 2008.
- Reinhart, Carmen, and Vincent Reinhart, “Capital Flow Bonanzas: Past and Present,” in Jeffrey Frankel and Francesco Giavazzi eds., *NBER International Seminar in Macroeconomics 2008* (Chicago: Chicago University Press for NBER, forthcoming 2008).
- Reisen, H., “After the Great Asian Slump: Towards a Coherent Approach to Global Capital Flows,” *OECD Development Centre Policy Briefs*, no. 16 (OECD Development Centre, 1999).

- Reisen, H., and J. von Maltzahn, "Boom and Bust and Sovereign Ratings, 1999," *International Finance* 2, no. 2 (1999): 273-93.
- Reisen, Helmut, "The fallout from the global credit crisis: Contagion - emerging markets under stress," VoxEU.org (December 6, 2008), <http://www.voxeu.org/index.php?q=node/2670>
- Repullo, Rafael, and Javier Suarez, "The procyclical effects of Basel II," VoxEU.org (July 14, 2008), <http://www.voxeu.org/index.php?q=node/1398>.
- Richard Portes, "The shocking errors behind Iceland's meltdown," *Financial Times*, October 13, 2008.
- Rodrik, Dani, "Why Do More Open Economies Have Bigger Governments?," *Journal of Political Economy* 106, no. 5 (1998): 997-1032.
- Rossi, Salvatore, "Finance, market, globalisation: a plot against mankind?," VoxEU.org (November 20, 2008), <http://www.voxeu.org/index.php?q=node/2587>.
- Schwert, William, "Indexes of US Stock Prices from 1802 to 1987," *Journal of Business* 63, no. 3 (1990): 399-426.
- Shleifer, A., "Understanding Regulation," *European Financial Management* 11, no. 4 (2005): 439-451.
- Sigee, Jeremy, et al., Citigroup, "Time To Deliver. Rethinking Capital Needs For European Investment Banks," April 22, 2008.
- Sinn, Hans-Werner, "What can be learned from the banking crisis," VoxEU.org (December 17, 2008), <http://www.voxeu.org/index.php?q=node/2701>.
- Sinn, Hans-Werner, *The New Systems Competition* (Oxford: Blackwell Publishing, 2003).
- Sirri, Erik, and Peter Tufano, "Costly Search and Mutual Fund Flows," *Journal of Finance* 53 (1998): 1589-1622.
- Skeoch, Keith, et al., "Respect principle of pre-emption," *Financial Times*, July 30, 2008.
- Slacalek, Jirka, "International Wealth Effects," *DIW Discussion Papers*, no. 596 (Berlin: German Institute for Economic Research, 2006).
- Spaventa, Luigi, "A (mild) defence of TARP," VoxEU.org (September 26, 2008), <http://www.voxeu.com/index.php?q=node/1713>.

- Spaventa, Luigi, "Avoiding Disorderly Deleveraging," *CEPR Policy Insight*, no. 22 (May 2008).
- Spaventa, Luigi, "How a new Brady bond could ease the strain," *Financial Times*, April 11, 2008.
- Sprague, O.M., "A History of Financial Crises under the National Banking Period" (Washington: U.S. Government Printing Office, 1910).
- Suarez, Javier, "Bringing money markets back to life," VoxEU.org (October 13, 2008), <http://www.voxeu.org/index.php?q=node/2411>.
- Suarez, Javier, "The Need for an Emergency Bank Debt Insurance Mechanism," *CEPR Policy Insight*, no. 19, March 2008.
- Subramanian, Arvind, "India's credit crunch conundrum," VoxEU.org (November 10, 2008), <http://www.voxeu.org/index.php?q=node/2539>.
- Subramanian, Arvind, "Preserving financial sector confidence, not monetary easing, is key," VoxEU.org (November 1, 2008), <http://www.voxeu.org/index.php?q=node/2511>.
- Svensson, L.E.O., "Escaping from a Liquidity Trap and Deflation: The Foolproof Way and Others," *Journal of Economic Perspectives* 17 (2003): 145-66.
- Sylla, Richard, "An Historical Primer on the Business of Credit Rating," in *Ratings, Rating Agencies, and the Global Financial System* (Richard M. Levich, Giovanni Majnoni, and Carmen Reinhart eds., The New York University Salomon Center Series on Financial Markets and Institutions, 2002): 19-40.
- Tanona, William, et al., Goldman Sachs, "Capitulation trade. Painful but necessary to move forward," July 29, 2008.
- Thornton, H., *An Enquiry into the Nature and Effects of the Paper Credit of Great Britain* (London: Hatchard, 1802).
- Webb, Steven, "Latin American debt today and German reparations after World War I—a comparison," *Review of World Economics* (1988).
- Willem Buiter, "A TAD (Toxic Asset Dump) for the USSA," September 20, 2008, <http://blogs.ft.com/maverecon/2008/09/a-tad-toxic-asset-dump-for-the-ussa>.
- Wyplosz, Charles, "Financial crisis resolution: It's all about burden-sharing," VoxEU.org (July 20, 2008), <http://www.voxeu.org/index.php?q=node/1431>.

- Wyplosz, Charles, “Why Paulson is (maybe) right,” VoxEU.org (September 22, 2008), <http://www.voxeu.org/index.php?q=node/1671>.
- Danielsson, Jon, “Complexity kills,” VoxEU.org (September 29, 2008), <http://www.voxeu.org/index.php?q=node/1723>.
- Lo, Andrew, “What Happened To The Quants In August 2007?,” Massachusetts Institute of Technology Mimeograph (2007).
- Bank of England, *Financial Stability Report* (April 2008): 20.
BIS, *Annual Report 2007-2008* (Basel, June 2008).
- “CDOh no,” *Financial Times*, July 29, 2008.
- Editorial, *Financial Times*, September 19, 2008.
- “Cash for Trash,” *New York Times*, September 21, 2008.
- Duflo, Esther, “Too many bankers?,” VoxEU.org (October 8, 2008), <http://www.voxeu.org/index.php?q=node/2292>.
- Zingales, Luigi, “Plan B,” VoxEU.org (October 11, 2008), <http://www.voxeu.org/index.php?q=node/2390>.
- Rescuing our jobs and savings: What G7/8 leaders can do to solve the global credit crisis*, Eichengreen, Barry, and Richard Baldwin eds., VoxEU.org (<http://www.voxeu.org/index.php?q=node/2340>).
- “Desperate times need the right measures,” FT.com, September 19, 2008.
- Herring, Richard, “Book review,” *Journal of Finance* (September 1993): 1553-56.
- Zingales, Luigi, “Why Paulson is wrong,” VoxEU.org (September 21, 2008), <http://www.voxeu.org/index.php?q=node/1670>.