

Topics for Today

1.) Discuss Summers article

2.) Discuss Rogoff article

Summers

I. What are the goals of the Global Financial System?

What goods are implicitly being traded when capital flows between countries?

What are the sources of financial market inefficiency?

II. Causes

- What are the common elements in currency crises?
- Why does output often decline after a crisis?

- What are the sources of contagion?

III. Prevention

Domestic

What are some purely domestic policies countries can adopt to reduce the risk of crises?

International

What about global/multilateral policies?

IV. Responses

National Policies

International Policies

Rogoff

Reform Proposals

1.)

2.)

3.)

4.)

5.)

6.)

7.)

Rogoff's Plan

According to Rogoff what is the main problem with the current system?

How should we fix it?