

**Causes and Consequences of the Global Financial Crisis and the Current Crises
and
Policy Options**

Reading Assignment

★ **Required**

Basic

1. Blanchard 7th edition, chapters 3-6.
2. Krugman, Paul, "IS-LMentary," *The New York Times blogs*, October 9, 2011. [Here](#).
3. The Financial Crisis Inquiry Commission, "Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United States." February 2011. Pp. xv-xxviii are required. Other parts are strongly recommended. [Here](#).

Group 1: In the Eye of the Storm

4. Stiglitz, Joseph, *On the Current Financial Crisis*, The University of Manchester, UK, October 13, 2008. [Here](#).
5. Blinder, Alan, *Origins of the Financial Mess*. Lecture at the Woodrow Wilson School, Princeton University, November 11, 2008. [Here](#).
6. Stiglitz, Joseph, "Capitalist Fools," *Vanity Fair*, January 2009. [Here](#).
7. Friedman, Benjamin M, "The Failure of the Economy & the Economists," *The New York Review of Books*, May 28, 2009, pp. 42-45. [Here](#).
8. Madrick, Jeff, "The Heart of the Crash," *The New York Review of Books*, June 10, 2010, pp. 37-39. [Here](#).
9. Krugman, Paul and Wells, Robin, "Our Giant Banking Crisis—What to Expect," *The New York Review of Books*, May 13, 2010, pp. 11-13. [Here](#).

Group 2: Retrospectives

10. Griffin, John M., "Ten Years of Evidence: Was Fraud a Force in the Financial Crisis?" *Journal of Economic Literature*, December 2021, pp. 1293-1321. [Here](#).
11. Tooze, Adam, *Crashed: How a Decade of Financial Crisis Changed the World*. Viking, 2018. Pages 1-22 are required, [here](#) (and on Nexus).
12. Stiglitz, Joseph, "Ten Years Later." *Roosevelt Institute Working Paper*, September 2018. [Here](#).
13. Gennaioli, Nicola, and Shleifer, Andrei, *A Crisis of Beliefs: Investor Psychology and Financial Fragility*, Princeton University Press, 2018. Pages 1-47 are required, [here](#) (and on Nexus).

Group 3: Monetary and Fiscal Policy: Historical and Current Perspectives

14. Galbraith, James K., “The Origins of the Modern Era of the Federal Reserve.” *Institute for New Economic Thinking*, January 2025. [Here](#).
15. Ferguson, Thomas and Storm, Servaas, “Good Policy or Good Luck? Why Inflation Fell Without a Recession.” *Institute for New Economic Thinking*, September 2024. [Here](#).
16. Attinasi, Maria Grazia, and Di Casola, Paola, “Post-pandemic US inflation: A tale of fiscal and monetary policy.” CEPR, September 2024. [Here](#).

★ Recommended

1. U.S. Department of the Treasury, “The U.S. Post-Pandemic Recovery in Context.” January 2025. [Here](#).
2. Juhász R, Lane N, Rodrik D, “The New Economics of Industrial Policy.” *Harvard University*, 2024. [Here](#).
3. Brooks, Robin, and Harris, Ben, “The US recovery from COVID-19 in international comparison.” *Brookings*, October 17, 2024. [Here](#).
4. El-Arian, Mohamed, “Don’t Extrapolate Last Year’s Trends for the Global Economy.” *Project Syndicate*, January 11, 2024. [Here](#).
5. Costantini, Orsola, and D’Ippoliti, Carlo, “American Household Debt: A Reappraisal.” *Institute for New Economic Thinking*, January 2, 2024. [Here](#).
6. Milstein, Eric, and Wessel, David, “What did the Fed do in response to the COVID-19 crisis?” *Brookings*, January 2, 2024. [Here](#).
7. Parramore, Lynn, “Is American Banking Safe? You Might Not Like The Answer from Two Fed Veterans.” *Institute for New Economic Thinking*, December 4, 2023. [Here](#).
8. Murphy, Chris, “Fiscal Policy in the COVID-19 Era.” *Wiley Online Library*, March 28, 2023. [Here](#).
9. Tooze, Adam, “Is the Coronavirus Crash Worse Than the 2008 Financial Crisis?” *Foreign Policy*, March 18, 2020. [Here](#).
10. “Coronavirus shock vs. global financial crisis — the worse economic disaster?” *DW*, March 17, 2020. [Here](#).
11. Velasco, Andrés, “Are We All Keynesians Again?” *Project Syndicate*, August 25, 2020. [Here](#).
12. “2008: A Retrospective on the Financial Crisis.” *Institute for New Economic Thinking*, 2018. [Here](#).
13. Blanchard, Olivier, *et al* (eds.), *In the Wake of the Crisis*. The MIT Press, 2012.
14. Symposia: *Macroeconomics Decade after the Great Recession*. *Journal of Economic Perspectives*, September 2018.
15. Fair, Ray, *FAIRMODEL: The U.S. Model Workbook*. [Here](#).
16. Chronologies of the Economic and Financial Crisis:
 - a. Federal Reserve Bank of St. Louis. [Here](#).
 - b. The Global Economic & Financial Crisis: A Timeline. [Here](#).
17. Piketty, Thomas, *Capital in the Twenty-First Century*. The Belknap Press of Harvard University Press, 2014.

18. Taibbi, Matt, *The Divide: American Injustice in the Age of the Wealth Gap*, Spiegel & Grau, 2014. You might want to watch an interview with the author [here](#).
19. Rajan, Raghuram G., *Fault Lines: How Hidden Fractures Still Threaten the World Economy*, Princeton University Press, 2010.
20. Federal Reserve Bank of New York, "Special Issue: Federal Reserve Policy Responses to the Financial Crisis," May 2011. [Here](#).
21. Brunnermeier, Markus K., "Deciphering the Liquidity and Credit Crunch 2007-2008," *Journal of Economic Perspectives*, Winter 2009, pp. 77-100.
22. Gerardi, Kristopher, *et al*, "Making Sense of the Subprime Crisis," *Brookings Papers on Economic Activity*, Fall 2008, pp. 69-159.
23. Myers, Christopher, *et al*, "The Rise in Mortgage Defaults," *Journal of Economic Perspectives*, Winter 2009, pp. 27-50.
24. Coval, Joshua, *et al*, "The Economics of Structured Finance," *Journal of Economic Perspectives*, Winter 2009, pp. 3-25.
25. Crotty, James, and Epstein, Gerald, "Avoiding Another Meltdown," *Challenge*, January/February 2009, pp. 5-26. [Here](#).
26. Bradley, Bill, *et al*, "The Crisis and How to Deal with It," *The New York Review of Books*, June 11, 2009, pp. 73-76. [Here](#).
27. Hein, Eckhard and Truger, Achim, "How to Fight (or Not to Fight) a Slowdown," *Challenge*, May/June 2009, pp. 52-75. [Here](#).
28. Livingston, James, "Their Great Depression and Ours," *Challenge*, May/June 2009, pp. 34-51. [Here](#).
29. Solow, Robert, "How to Understand the Disaster," *The New York Review of Books*, May 14, 2009, pp. 4-8. [Here](#).
30. Wade, Robert, "Iceland as Icarus," *Challenge*, May/June 2009, pp. 5-33. [Here](#).
31. Reinhart, Carmen M. and Kenneth Rogoff, *This Time Is Different: Eight Centuries of Financial Folly*, Princeton University Press, 2009.

All of the recommended readings are available in hard copy at the Library.

All Challenge articles are available on-line as well via the Library's subscription to ProQuest.