

The New Normal International Economy: New Challenges to Economic Management in China & Other Countries

School of Economics, Fudan University
Wing Thye Woo, wtwoo@ucdavis.edu
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* articles in red are required readings

1. What the Central Bankers Said before the 2008 Global Financial Crisis: What, Me Worry?

Alan Greenspan on Consumer Finance (In Praise of Subprime Mortgages) at the Federal Reserve System's Fourth Annual Community Affairs Research Conference, Washington, D.C., April 8, 2005, URL:

<http://www.federalreserve.gov/BoardDocs/speeches/2005/20050408/default.htm>

* Ben Bernanke and Mark Gertler, "Monetary policy and asset price volatility," Jackson Hole conference of the Federal Reserve Bank of Kansas City, 1999; (see also comments by Rudiger Dornbusch on the paper) URL:

<http://www.kc.frb.org/publications/research/escp/escp-1999.cfm>

* Ben S. Bernanke, "Japanese Monetary Policy: A Case of Self-Induced Paralysis?" presentation at the ASSA meetings, Boston MA, January 9, 2000.

2. Should We Blame China for Blowing Up the US Financial System?

* Bernanke, Ben S. 2005. "The Global Saving Glut and the U.S. Current Account Deficit." Homer Jones Lecture, Federal Reserve Bank of St. Louis, April 14. Available on the Internet at

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Ben S. Bernanke, 2007, "Global Imbalances: Recent Developments and Prospects", URL:

<http://www.federalreserve.gov/newsevents/speech/bernanke20070911a.htm>

* Ben S. Bernanke, Carol Bertaut, Laurie Pounder DeMarco, and Steven Kamin, "International Capital Flows and the Returns to Safe Assets in the United States, 2003-2007" International Finance Discussion Papers Number 1014, February 2011

3. The Global Financial Crisis: It's the Financial Markets, Stupid; and What to Do

* Jeffrey Sachs, 2014, "Chapter 2: Wall Street Lawlessness," in Wing Thye Woo, Yingli Pan, Jeffrey D. Sachs and Junhui Qian (editors), Financial Systems at the Cross Roads: Lessons for China, Imperial College Press & World Scientific Press

* Boone, Peter and Simon Johnson, 2014, "Chapter 3: "Systemic Lack of Prudence in Wealthy Nations: Avoiding the Dark Side of Financial Development," in Wing Thye Woo, Yingli Pan, Jeffrey D. Sachs and Junhui Qian (editors), Financial Systems at the Cross Roads: Lessons for China, Imperial College Press & World Scientific Press

Wing Thye Woo and Wei Zhang, "Combating the Global Financial Crisis with Aggressive Expansionary Monetary Policy: Same Medicine, Different Outcomes in China, UK and USA," The World Economy, May 2011, Vol.34 No.5, pp.667-686

Eggertsson, Gauti, and Paul Krugman. 2012. "Debt, Deleveraging, and the Liquidity Trap: A Fisher-Minsky-Koo Approach," Quarterly Journal of Economics 127 (3): 1469-1513.

4. Sustaining China's High Growth to Avoid the Middle-Income Trap

Wing Thye Woo, "China in the Current Global Economic Crisis," Testimony before the U.S.-China Economic and Security Commission, 17 February 2009, URL <http://www.econ.ucdavis.edu/faculty/woo/woo.html>

* Wing Thye Woo, "China Meets the Middle-Income Trap: The Large Potholes in the Road to Catching-Up," Journal of Chinese Economic and Business Studies, Vol. 10, No.4, November 2012, pp. 313-336.

* Yuyan Tan, Yiping Huang and Wing Thye Woo, "Zombie Firms and the Crowding-Out of Private Investment in China," Asian Economic Papers, Fall 2016, Vol. 15, No. 3, pp. 32-55

(In Chinese), "Jiang Shi Qi Ye De Tou Zi Ji Chu Xiao Ying: Ji Yu Zhong Guo Gong Ye Qi Ye De Zheng Ju." (with Yuyan Tan, Zhibo Tan, and Yiping Huang, and), Jingji Yanjiu, May 2017, Issue 5, pp.175-188 ("The Crowding-Out Effect of Zombie Firms: Evidence from China's Industrial Firms," in Economic Research, 2017:5.

* Wing Thye Woo, "China's Soft Budget Constraint on the Demand-Side Undermines Its Supply-Side Structural Reforms," China Economic Review, forthcoming.

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5. The Future Role of the Renminbi in the Global Financial Crisis

Robert Mundell, "A Theory of Optimum Currency Areas," AER Sept 1961.

Ronald McKinnon, "Optimum Currency Areas," AER Sept. 1963

Barry Eichengreen, "The Reminbi Challenge," 9 October 2012, URL: <http://www.project-syndicate.org/commentary/can-china-have-an-international-reserve-currency-by-barry-eichengreen>

* Barry Eichengreen, "Pathways to Renminbi Internationalization," University of California, Berkeley, December 2013

McKay, Huw, 2014, "Chapter 6: Tokyo's Ultimately Failed Bid for First Tier International Financial Centre Status: Why Did It Fall Short and What Are the Lessons for Shanghai?" in Wing Thye Woo, Yingli Pan, Jeffrey D. Sachs and Junhui Qian (editors), Financial Systems at the Cross Roads: Lessons for China, Imperial College Press & World Scientific Press

George von Furstenberg, "International Financial Services: Location Preferences and Economies," Kredit and Kapital, Vol. 42 No. 4, 2009

Flandreau, Marc and Clemens Jobst "The empirics of international currencies: Network externalities, history and persistence", The Economic Journal, 119 (April 2009), 643–664.

* Wing Thye Woo, "A Realistic View of East Asian Economic Integration," in Masahiro Kawai, Jong-Wha Lee, Jeffrey Sachs and Wing Thye Woo (editors), A New Global Reserve System for a Transformed Global Economy, MIT Press, forthcoming

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6. Global Economic Architecture in a Multi-Polar World

* Xi Jinping, 2013, "'Move Forward with the Belt and Road Initiative,'" Chapter 51 in Xi Jinping, The Governance of China, Compilation of works from 2012–2014.

Wing Thye Woo, 2017, "Adjusting to the New Domestic Normal and the New International Normal: Supply-Side Structural Reform 2.0," in Ross Garnaut, Ligang Song, Fang Cai and Lauren Johnston, (editors), China's New Sources of Economic Growth: Reform, Resources and Climate Change Volume II, ANU Press, Canberra, 2017, pp. 89-113.

Gal Luft, It Takes a Road—China's One Belt One Road Initiative: An American Response to the New Silk Road, Institute for the Analysis of Global Security, November 2016

7. Sino-US Trade Dispute

* Tao Liu and Wing Thye Woo, 2018, "Understanding the US-China Trade War," China Economic Journal, Vol. 11 Issue 3, 2018, pp. 319-340

U.S. Trade Representative, 2019, 2018 Report to Congress: On China's WTO Compliance, February 2019, <https://ustr.gov/sites/default/files/2018-USTR-Report-to-Congress-on-China%27s-WTO-Compliance.pdf>

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