



# CENTER FOR PACIFIC BASIN STUDIES

ANNUAL REPORT 2011



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## CENTER FOR PACIFIC BASIN STUDIES

The Center’s mission is to further international understanding of major Pacific Basin monetary and economic policy issues. The Center’s programs are designed to carry out this mission through staff research, its visiting scholar program, its international network of research associates, and international conferences.

## A MESSAGE FROM THE DIRECTOR

2011 was an important year for the FRBSF Center for Pacific Basin Studies. We held the second of our biennial Asia Economic Policy Conferences. This event brings economic policymakers, researchers, and private market participants together to explore Asia's role in the global economy. In his introduction to this year's event, FRBSF President John Williams noted that these conferences provide knowledge of the region that is critical in ensuring that the Federal Reserve System has the understanding of global economic trends needed to conduct monetary policy.



Mark M. Spiegel  
Vice President,  
International Research,  
and Director,  
Center for Pacific Basin Studies

This year's conference was entitled "Asia's Role in the Post-Crisis Global Economy." We were fortunate to have Federal Reserve Vice Chair Janet Yellen deliver the opening remarks in an address entitled "Aggregate Demand and the Global Economic Recovery." We also had a keynote address from Justin Lin, Chief Economist and Senior Vice President, World Bank, and closing remarks from U.C. Berkeley Professor Barry Eichengreen. A summary of the conference, as well as a link to both materials presented and general discussions, is included in this report.

Proceedings from the Asia Economic Policy conference are available in their entirety free of charge at the web site <http://www.frbsf.org/economics/conferences/aepc/2011/agenda.php>.

In addition to our Asia Economic Policy Conference, we engaged in a number of joint activities. We continued our long and productive partnership with the World Bank in conducting our Joint Senior Policymaker Seminar. This year's theme was "Managing Capital Flows and Growth in the Midst of the Sovereign Debt Crises," and the event took place in Seoul, The Republic of Korea. We were fortunate to have the KDI School, the Korea Ministry of Strategy and Finance the Bank of England, and the Bank of Korea all contributing as sponsors of the event.

The Center disseminates its research through various channels. Asia-related research is first published in the FRBSF Working Paper series, with the intention of eventual publication in refereed academic journals. Shorter analyses are distributed as “Pacific Basin Notes” through the FRBSF Economic Letter series. The Center’s publications can be accessed through its web site: <http://www.frbsf.org/economics/pbc/index.php>.

Center staff has had a very productive year in promoting basic research on Asia-related economic issues. Summaries of staff research are included in this report, as are reprints of two Pacific Basin Notes published in 2011, “Could We Have Learned from the Asian Financial Crisis of 1997-1998,” by Hale, and “The U.S. Content of ‘Made in China,’” by Hale and Hobijn. Our research environment is enhanced by our active visiting scholar program, which brings in academics to discuss research in international economics, with a focus on Asia.

I would like to thank all of those who have contributed to the success of the Center’s activities during the past year, particularly my colleague, Reuven Glick, who co-organized the Asia Economic Policy Conference with me and colleagues who partnered with the Center to organize our joint activities. I would also like to thank Sylvia Papa for her excellent administrative assistance on behalf of the Center.

Mark M. Spiegel  
Vice President International Research and  
Director Center for Pacific Basin Studies



## THE U.S. CONTENT OF “MADE IN CHINA”





# THE U.S. CONTENT OF “MADE IN CHINA”

*By Galina Hale and Bart Hobijn*

**G**oods and services from China accounted for only 2.7% of U.S. personal consumption expenditures in 2010, of which less than half reflected the actual costs of Chinese imports. The rest went to U.S. businesses and workers transporting, selling, and marketing goods carrying the “Made in China” label. Although the fraction is higher when the imported content of goods made in the United States is considered, Chinese imports still make up only a small share of total U.S. consumer spending. This suggests that Chinese inflation will have little direct effect on U.S. consumer prices.

The United States is running a record trade deficit with China. This is no surprise, given the wide array of items in stores labeled “Made in China.” This Economic Letter examines what fraction of U.S. consumer spending goes for Chinese goods and what part of that fraction reflects the actual cost of imports from China. We perform a similar exercise to determine the foreign and domestic content of all U.S. imports.

In our analysis, we combine data from several sources: Census Bureau 2011 U.S. International Trade Data; the Bureau of Labor Statistics 2010 input-output matrix; and personal consumption expenditures (PCE) by category from the U.S. national accounts of the Commerce Department’s Bureau of Economic Analysis. We use the combined data to answer three questions:

- What fraction of U.S. consumer spending goes for goods labeled “Made in China” and what fraction is spent on goods “Made in the USA”?
- What part of the cost of goods “Made in China” is actually due to the cost of these imports and what part reflects the value added by U.S. transportation, wholesale, and retail activities? That is, what is the U.S. content of “Made in China”?
- What part of U.S. consumer spending can be traced to the cost of goods imported from China, taking into account not only goods sold directly to consumers, but also goods used as inputs in intermediate stages of production in the United States?

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*Two-thirds of U.S. durables consumption goes for goods labeled “Made in the USA,” while the other third goes for goods made abroad.*

### **Share of Spending on “Made in China”**

Although globalization is widely recognized these days, the U.S. economy actually remains relatively closed. The vast majority of goods and services sold in the United States is produced here. In 2010, imports were about 16% of U.S. GDP. Imports from China amounted to 2.5% of GDP.

Table 1 shows our calculations of the import content of U.S. household consumption of goods and services. A total of 88.5% of U.S. consumer spending is on items made in the United States. This is largely because services, which make up about two-thirds of spending, are mainly produced locally. The market share of foreign goods is highest in durables, which include cars and electronics. Two-thirds of U.S. durables consumption goes for goods labeled “Made in the USA,” while the other third goes for goods made abroad.

Chinese goods account for 2.7% of U.S. PCE, about one-quarter of the 11.5% foreign share. Chinese imported goods consist mainly of furniture and household equipment; other durables; and clothing and shoes. In the clothing and shoes category, 35.6% of U.S. consumer purchases in 2010 was of items with the “Made in China” label.

**Table 1**  
*Import content of U.S. personal consumption expenditures by category*

	PCE Expenditure Share	Share spent on		Imported final goods content		Total import content	
		"made in USA" (II)	"Made in China (III)	Total (IV)	Chinese goods (V)	Total (VI)	Chinese goods (VII)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
<b>Total</b>	100	88.5	2.7	7.3	1.2	13.9	1.9
<b>Less food and energy</b>	86	88.0	3.1	7.7	1.4	13.0	2.0
<b>Durables</b>	10	66.6	12.0	18.7	6.2	26.3	7.3
<b>Motor vehicles</b>	3	74.9	1.2	17.5	0.6	27.4	1.9
<b>Furniture and household equipment</b>	5	59.6	20.0	21.4	10.6	27.8	11.6
<b>Other durables</b>	2	69.0	11.8	14.2	5.3	20.5	6.2
<b>Non durables</b>	23	76.2	6.4	12.1	2.6	22.1	3.3
<b>Food</b>	8	90.8	0.4	5.2	0.2	13.9	1.1
<b>Clothing and shoes</b>	3	24.9	35.6	29.5	13.8	33.6	14.7
<b>Gasoline, fuel oil and other energy goods</b>	4	88.4	0.1	7.4	0.0	34.1	0.5
<b>Other non-durables</b>	8	77.7	3.1	13.8	1.4	20.1	2.0
<b>Services</b>	67	96.0	0.0	4.0	0.0	9.2	0.6
<b>Housing</b>	17	100.0	0.0	0.0	0.0	2.5	0.4
<b>Household operations</b>	7	99.7	0.0	0.3	0.0	10.6	0.6
<b>Transportation</b>	2	90.4	0.0	9.6	0.0	20.8	0.4
<b>Medical Care</b>	18	99.3	0.0	0.7	0.0	6.0	0.6
<b>Recreation</b>	8	99.6	0.0	0.3	0.0	6.6	0.8
<b>Other services</b>	15	84.3	0.0	15.7	0.0	20.2	0.5

*Sources: Authors' calculations, based on 2008 input-output matrix, from BLS (2010)  
and 2010 trade statistics, from Census (2011), and national account data.*

### Local Content of “Made in China”

Obviously, if a pair of sneakers made in China costs \$70 in the United States, not all of that retail price goes to the Chinese manufacturer. In fact, the bulk of the retail price pays for transportation of the sneakers in the United States, rent for the store where they are sold, profits for shareholders of the U.S. retailer, and the cost of marketing the sneakers. These costs include the salaries, wages, and benefits paid to the U.S. workers and managers who staff these operations.

Table 1 shows that, of the 11.5% of U.S. consumer spending that goes for goods and services produced abroad, 7.3% reflects the cost of imports. The remaining 4.2% goes for U.S. transportation, wholesale, and retail activities. Thus, 36% of the price U.S. consumers pay for imported goods actually goes to U.S. companies and workers.

This U.S. fraction is much higher for imports from China. Whereas goods labeled “Made in China” make up 2.7% of U.S. consumer spending, only 1.2% actually reflects the cost of the imported goods. Thus, on average, of every dollar spent on an item labeled “Made in China,” 55 cents go for services produced in the United States. In other words, the U.S. content of “Made in China” is about 55%. The fact that the U.S. content of Chinese goods is much higher than for imports as a whole is mainly due to higher retail and wholesale margins on consumer electronics and clothing than on most other goods and services.

### Total Import Content of U.S. PCE

Not all goods and services imported into the United States are directly sold to households. Many are used in the production of goods and services in the United States. Hence, part of the 88.5% of spending on goods and services labeled “Made in the USA” pays for imported intermediate goods and services. To properly account for the share of imports in U.S. consumer spending, it’s necessary to take into account the contribution of these

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*... 36% of the price U.S. consumers pay for imported goods actually goes to U.S. companies and workers.*

imported intermediate inputs. We use input-output tables to compute the contribution of imports to U.S. production of final goods and services. Combining the imported share of U.S.-produced goods and services with imported goods and services directly sold to consumers yields the total import content of PCE.

Table 1 also shows total import content as a fraction of total PCE and its subcategories. When total import content is considered, 13.9% of U.S. consumer spending can be traced to the cost of imported goods and services. This is substantially higher than the 7.3%, which includes only final imported goods and services and leaves out imported intermediates. Imported oil, which makes up a large part of the production costs of the “gasoline, fuel oil, and other energy goods” and “transportation” categories, is the main contributor to this 6.6 percentage point difference.

The total share of PCE that goes for goods and services imported from China is 1.9%. This is 0.7 percentage point more than the share of Chinese-produced final goods and services in PCE. This difference is mainly due to the use of intermediate goods imported from China in the U.S. production of services.

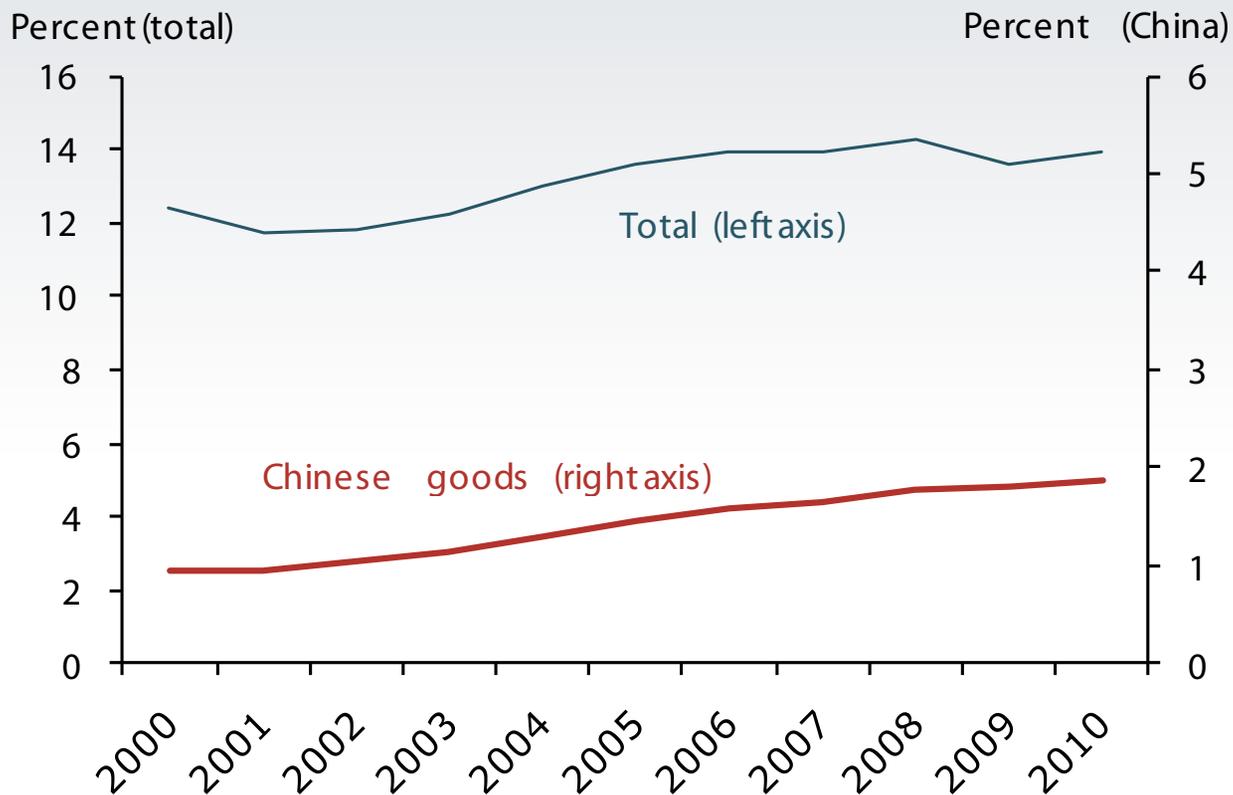
Figure 1 plots the total and Chinese import content of U.S. PCE over the past decade. The import content of PCE has been relatively constant at between 11.7% and 14.2%. Import content peaked in 2008 at 14.2%, which was probably due to the spike in oil prices at the time. The share of imports in PCE is slightly lower than in GDP as a whole because the import content of investment goods turns out to be twice as high as that of consumer goods and services.

The fraction of import content attributable to Chinese imports has doubled over the past decade. In 2000, Chinese goods accounted for 0.9% of the content of PCE. In 2010, Chinese goods accounted for 1.9%. The fact that the overall import content of U.S. consumer goods has remained relatively constant while the Chinese share has doubled indicates that Chinese gains have come, in large part, at the expense of other exporting nations.

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**Figure 1**  
*Import content of U.S. PCE, 2000–2010*



*Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, and authors' calculations.*

### **Broader Implications**

The import content of U.S. PCE attributable to imports from China is useful in understanding where revenue generated by sales to U.S. households flows. It is also important because it affects to what extent price increases for Chinese goods are likely to pass through to U.S. consumer prices.

China's 2011 inflation rate is close to 5%. If Chinese exporters were to pass through all their domestic inflation to the prices of goods they sell in the United States, the PCE price index (PCEPI) would only increase by 1.9% of this 5%, reflecting the Chinese share of U.S. consumer goods and services. That would equal a 0.1 percentage point increase in the PCEPI. The inflationary effects would be highest in the industries in which the share of Chinese imports is highest—clothing and shoes, and electronics. In fact, recent data show accelerating price increases for these goods compared with other goods.

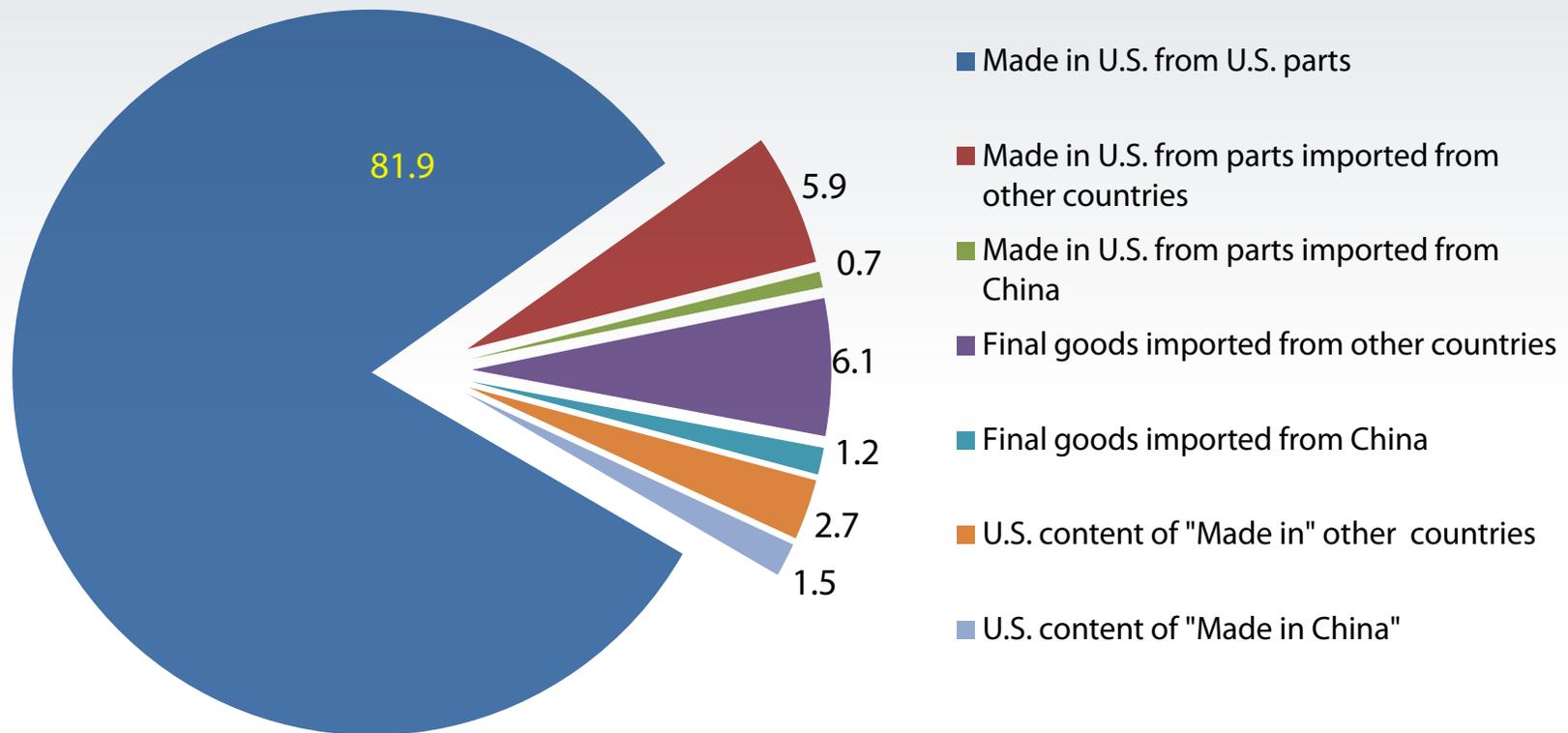
However, it does not seem that so far Chinese exporters are fully passing through their domestic inflation. In May 2011, prices of Chinese imports only increased 2.8% from May 2010. This is partly because a large share of Chinese production costs consists of imports from other countries. Xing and Detert (2010) demonstrate this by examining the production costs of an iPhone. In 2009, it cost about \$179 in China to produce an iPhone, which sold in the United States for about \$500. Thus, \$179 of the U.S. retail cost consisted of Chinese imported content. However, only \$6.50 was actually due to assembly costs in China. The other \$172.50 reflected costs of parts produced in other countries, including \$10.75 for parts made in the United States.

## Conclusion

Figure 2 shows the share of U.S. PCE based on where goods were produced, taking into account intermediate goods production, and the domestic and foreign content of imports. Of the 2.7% of U.S. consumer purchases going to goods labeled "Made in China," only 1.2% actually represents China-produced content. If we take into account imported intermediate goods, about 13.9% of U.S. consumer spending is attributable to imports, including 1.9% imported from China.

*Of the 2.7% of U.S. consumer purchases going to goods labeled "Made in China," only 1.2% actually represents China-produced content.*

**Figure 2**  
*Geography of U.S. PCE, 2010*



*Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, and authors' calculations.*

Since the share of PCE attributable to imports from China is less than 2% and some of this can be traced to production in other countries, it is unlikely that recent increases in labor costs and inflation in China will generate broad-based inflationary pressures in the United States.

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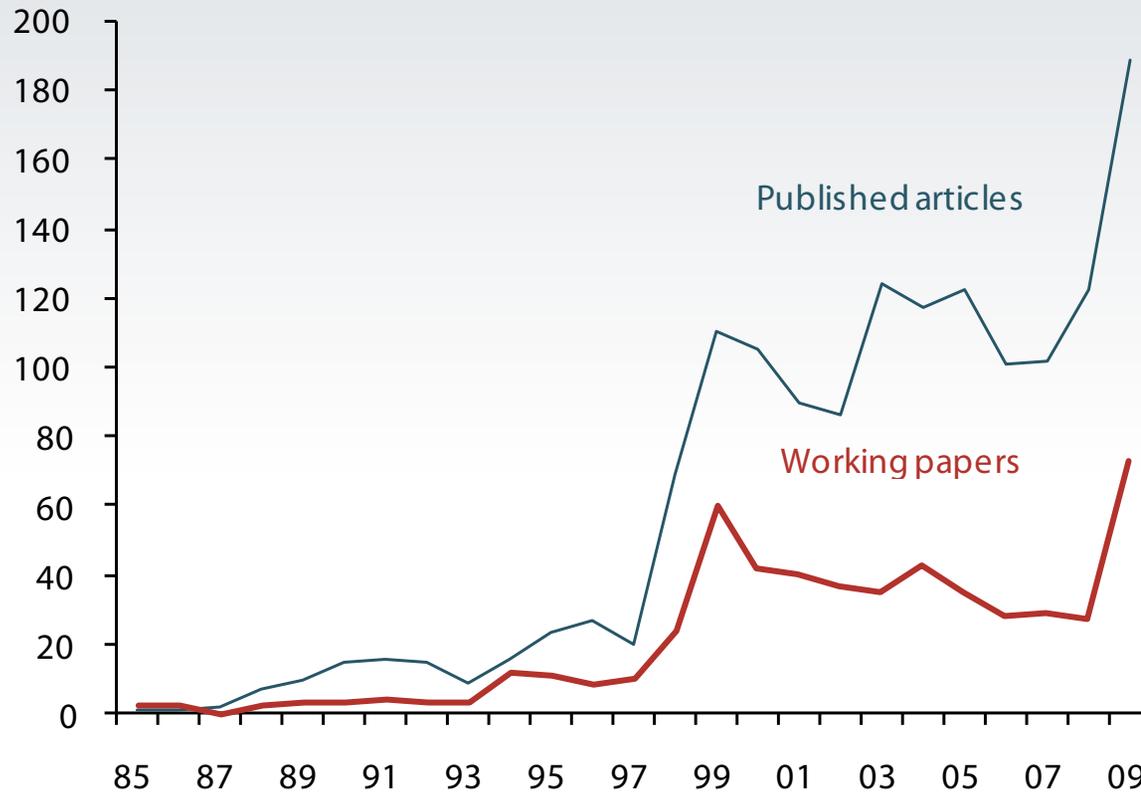


# COULD WE HAVE LEARNED FROM THE ASIAN FINANCIAL CRISIS OF 1997-98?

*By Galina Hale*

Economists drew a number of lessons from the Asian financial crisis of 1997-98 for preventing such episodes or mitigating their effects. Some of those are similar to lessons drawn from the global financial crisis of 2007-09. But differences in economic development and sophistication of the financial systems of East Asian countries compared with those of the United States and Western Europe made it difficult to apply the lessons of the earlier crisis.

The recent global financial crisis caught many by surprise and prompted economists to look again at past crises going back to the Great Depression and even further. In their 2009 book, Carmen Reinhart and Kenneth Rogoff demonstrated that the U.S. subprime financial crisis was not unique, but rather fit well with historical patterns of financial market booms and busts around the world. In this and other work, they also showed that lessons from past crises could have helped soften the impact of the recent crisis. However, these lessons were formulated after the onset of the 2007-09 crisis, with the benefit of hindsight based on the most recent experience.

**Figure 1***Academic research on international crises*

Source: Econlit. Numbers represent the number of items found when searching for “(crisis (or) crash) and (international).”

Not surprisingly, each major economic crisis reenergizes academic literature on the subject of crises. Figure 1 shows the number of academic publications and working papers on international crises from 1985 to 2009. The literature during this period focused on crisis prevention and management, and aimed at drawing lessons that would help avoid or soften the effects of similar crises in the future. The goals of such research were, first, to improve the models designed to predict imminent crises, and, second, to develop policies to minimize losses,

speed up recovery, and minimize the susceptibility of a country to crisis, whether it originates internally or spreads through financial and goods markets. Rose and Spiegel (2009), however, show that the recent global financial crisis was hard to predict using early warning models based on the experiences of past crises.

This *Economic Letter* takes a step back in time and looks at the lessons drawn in the literature written in the aftermath of the Asian financial crisis of 1997–98, the most serious predecessor in recent decades of the current crisis. The Letter examines why those lessons might not be applicable to developed economies. It focuses on policies that, following the Asian financial crises, were thought to prevent similar crises, or at least mitigate their economic effects and speed up recovery. The Letter argues that, despite many similarities between the Asian financial crisis and the recent global financial crisis, there were also important differences. Those largely had to do with differences in the economies and financial systems of the emerging market countries of East Asia prior to 1997 and those of the United States and developed nations of Western Europe before 2007. Those differences explain why recommendations made to Asian countries following the 1997–98 crisis did not lead to major banking and financial regulatory reform in the developed world.

### **Asian Financial Crisis of 1997–98**

The following is a brief overview of the Asian financial crisis of 1997–98. A summary of other emerging market crises and comparisons with the Asian crisis can be found in Dornbusch (2001).

Prior to the Asian financial crisis, most East Asian countries fixed their exchange rates to the U.S. dollar and ran current account deficits, which subjected their currencies to downward pressure. At the same time, private banks and large nonfinancial companies in these countries were borrowing large amounts, predominantly in dollars,

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from foreign banks. As became apparent when the crisis unfolded, East Asian governments implicitly guaranteed these loans. Meanwhile, domestic banks were lending to domestic companies in local currencies. Some corporations in those countries borrowed predominantly in dollars directly from abroad, but collected large shares of their revenue in domestic currency from domestic sales. As a result, borrowers accumulated large currency mismatches on their balance sheets. Their liabilities were mostly denominated in dollars, while their assets were, to a large extent, denominated in domestic currency.

East Asian financial systems were subject to two additional risk factors: maturity mismatches due to liabilities that were predominantly short-term and assets that were much longer term or illiquid, and excessive risk taking. Credit was available from abroad cheaply and in large quantities because of the implicit government guarantees. Banks were running out of low-risk projects to lend to and increasingly were financing riskier projects, thanks to an international lending boom and easy access to credit from abroad.

The date of the onset of the Asian financial crisis can be fixed precisely. On July 2, 1997, speculators attacked the Thai baht by selling off baht-denominated assets. Simultaneously, foreign investors withdrew dollar-denominated loans to Thai institutions. The Thai government was forced to let go of its currency peg. The baht plunged 16% on the day of the attack and lost over 50% of its value by January 1998. In the months that followed, other East Asian countries experienced similar debacles. Financial contagion spread through the region so fast that it was nicknamed the “Asian flu.” Only Hong Kong and China were able to maintain their currency pegs. The Hong Kong Monetary Authority intervened directly in the stock market, while China imposed capital controls.

Because of currency mismatches, bank and corporate balance sheets were under tremendous pressure as asset values declined dramatically relative to liabilities. To make matters worse, amid the speculative attacks, bank access to overseas credit dried up as foreign investors executed a flight to quality. Many overseas bank loans had relatively short maturities and banks were unable to roll them over as they had previously. In short, East Asian

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*Financial contagion spread through the region so fast that it was nicknamed the “Asian flu.”*

countries experienced severe banking crises. Nonperforming loan ratios skyrocketed because of prior excessive risk taking, and most banks had to be recapitalized by their governments. Before the crisis, most governments in the region had balanced or nearly balanced budgets. But the fiscal costs of bank recapitalization led to big deficits, forcing governments to seek funds from the International Monetary Fund (IMF).

### **Lessons for crisis prevention**

The Asian financial crisis came as a surprise to policymakers, investors, and academics alike. Yet, in hindsight, many agreed not only that the crisis could have been expected, but also that, to a great extent, it might have been avoided.

Investors and policymakers missed some warning signs of unsustainable lending booms, such as high corporate debt-to-equity ratios. In 1996, those ratios were respectively 310% in Indonesia and 518% in Korea. High ratios of short-term debt to central bank reserves, an important measure of a country's overall external foreign currency liquidity, were another red flag. In 1996, this ratio was 177% in Indonesia and 193% in Korea. However, some symptoms common in previous crises, such as excessive current account and budget deficits, were missing. Importantly, prior to the Asian financial crisis, early warning systems focused on government external finances and ignored private debt stocks that could become public liabilities because of implicit guarantees. For these reasons, the early warning systems did not sound alarms.

Economists formulated a number of policy recommendations aimed at preventing a repetition of Asian-flu-type crises (see Eichengreen 1999, Mishkin 1999, Rogoff 1999, and Roubini 2000). Bank regulators were encouraged to require greater transparency and supervise lending activity more strictly, paying particular attention to currency and maturity mismatches. Some scholars urged that highly leveraged institutions be required to improve risk assessment and reduce leverage ratios. Some argued for capital controls to lengthen the maturity and alter the composition of foreign capital inflows so that more investment came in as equity and less as debt. An inter-

*Investors and policymakers missed some warning signs of unsustainable lending booms, such as high corporate debt-to-equity ratios.*

national lender of last resort was needed to resolve crises, economists said, questioning whether the IMF could fulfill this role given its limited funds. Economists also called for private-sector contingent credit lines to manage liquidity problems. Private-sector involvement in crisis resolution was held to be vital, given the enormous volume of international capital flows.

### **Have we learned the lessons?**

An informed reader may notice parallels between the lessons drawn from the Asian crisis and the current discussion of policies aimed at preventing a repetition of the global financial crisis of 2007–09. Does that mean that the lessons of the Asian crisis were ignored? Was it believed that those lessons didn't apply to developed countries? Despite many similarities between the Asian financial crisis and the recent global crisis, there were many important differences between the economies and financial systems of the emerging markets of East Asia prior to 1997 and those of the United States and Western Europe before 2007. These differences may have led policymakers to conclude that an Asian-flu-type crisis was unlikely in the developed world.

First and foremost, financial markets in the developed world were much more mature and regulation stricter than in Asian countries. Regulatory changes proposed for Asian economies were designed to make financial and banking regulation more like that in the developed world. Specifically, the proposals were intended to align regulation with the core principles of banking supervision as practiced in the G-10 countries. For example, economists recommended that East Asian banks bring their capital ratios in line with the Basel Accord levels adopted in the developed world. In short, developed world financial markets were in much better shape in 2007 than financial markets in East Asia prior to the Asian crises.

A second set of differences stems from the fact that mature financial markets that had been through the Great Depression and the collapse of the Bretton Woods global monetary system were much more resilient to shocks, due to their depth and sophistication, and their supervisory and insurance systems. Developed world financial systems were thought to be able to function safely with less oversight and more leverage. However, as we have learned, reduced oversight and high leverage tend to reduce transparency.

Third, developed world financial systems had proved to be capable of rebounding from external one-time shocks. The Russia/Long-Term Capital Management crisis of the fall of 1998 and the September 11, 2001, terrorist attacks are two cases in point. These events precipitated large temporary declines in asset prices, especially in the United States. But they did not grow into widespread financial market freezes like the one that occurred in the fall of 2008 after the collapse of the investment bank Lehman Brothers.

### **Conclusion**

The differences between the economies and financial systems of East Asia in 1997 and the United States and Western Europe in 2007 were genuine and important. Developed world financial markets were more mature, more sophisticated, and better supervised than markets in East Asia. Yet, despite these differences, the developed world also turned out to be vulnerable to financial crisis. Global financial integration increased dramatically in the decade preceding the 2007–09 crisis (Lane and Milesi-Ferretti 2008), creating channels for the rapid spread of financial contagion throughout the developed world.

Lessons learned from the Asian financial crisis of 1997–98, such as the dangers of high leverage ratios and credit growth, appear to be similar to the ones that emerged in the post-2007–09 policy debate. However, differences in economic development and sophistication of the financial systems of East Asian countries compared with those of the United States and Western Europe led policymakers in the advanced economies to believe that the lessons of the earlier crisis did not apply to them. Moreover, it turned out that mature financial markets were not as resilient to shocks as we thought they were prior to 2007.

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## 2011 SEMINARS

<b>Date</b>	<b>Presenter</b>	<b>Title</b>
11/16	Ayhan Kose International Monetary Fund	“Regionalization vs. Globalization”
10/11	Ivan Werning Massachusetts Institute of Technology	“Managing a Liquidity Trap: Monetary and Fiscal Policy”
09/28	Roc Armenter Federal Reserve Bank of Philadelphia	“The Macroeconomics of Firms' Savings”
09/8	Yuri Okina National Institute for Research Advancement	“Transforming Japan’s Banking System”
05/9	Renee Bowen Stanford University	“Limits of the WTO as a self-enforcing institution”
05/3	Rich Clarida Columbia University	“Get Real: Interpreting Nominal Exchange Rate Fluctuations”
04/11	Lukasz Drozd University of Pennsylvania	“Competitive Poaching in Unsecured Lending”
04/11	Felipe Schwartzman Federal Reserve Bank of Richmond	“Time to Produce and Emerging Market Crises”
03/25	Pierre-Olivier Gourinchas University of California, Berkeley	“Exorbitant Privilege and Exorbitant Duty”
03/01	Romain Ranciere Paris School of Economics	“Inequality, Leverage and Crises”
01/14	Stefano Eusepi Federal Reserve Bank of New York	“The Maturity Structure of Debt, Monetary Policy and Expectations Stabilization”
01/11	Rosalind Bennett The Federal Deposit Insurance Corporation	“The Cost Effectiveness of the Private-Sector Reorganization of Failed Banks”

## 2011 WORKING PAPERS

<b>Number</b>	<b>Author</b>	<b>Title</b>
WP 30	Reuven Glick Sylvain Leduc	Central Bank Announcements of Asset Purchases and the Impact on Global Financial and Commodity Markets
WP 24	John Krainer Jim Wilcox	Regime Shifts in Real Estate Markets: Time Varying Effects of the U.S. and Japanese Economies on House Prices in Hawaii
WP 22	Reuven Glick Michael Hutchison	Currency Crises
WP 04	Galina Hale	Evidence on Financial Globalization and Crisis: Capital Raisings
WP 02	Andrew Rose Mark M. Spiegel	Cross-Country Causes and Consequences of the Crisis: An Update

## PACIFIC BASIN NOTES

<b>Date</b>	<b>Author</b>	<b>Title</b>
08/8/11	Galina Hale Bart Hobijn	The U.S. Content of “Made in China”
02/28/11	Galina Hale	Could We Have Learned from the Asian Financial Crisis of 1997–98?

## CENTER PUBLISHED ARTICLES

<b>Date</b>	<b>Author</b>	<b>Title</b>
2011	Reuven Glick Michael Hutchinson	The Illusive Quest: Do International Capital Controls Contribute to Currency Stability”, <i>International Review of Economics and Finance</i> 20(1), pp. 59-70
2011	Galina Hale Cheryl Long	“Did Foreign Direct Investment Put an Upward Pressure on Wages in China?” <i>IMF Economic Review</i> 59(3), pp. 404-430
2011	Galina Hale Cheryl Long	“Are There Productivity Spillovers from Foreign Direct Investment in China?” <i>Pacific Economic Review</i> , 16(2), pp. 135-153
2011	Galina Hale Cheryl Long	“What Are the Sources of Financing for Chinese Firms?” in <i>The Evolving Role of Asia in Global Finance</i> , 9, ed. by Guonan Ma, Vikas Kakkar and Yin-Wong Cheung
2011	Mark Spiegel Candeleria & Lopez	“Bond Currency Denomination and the Yen Carry Trade,” <i>In Asia and China in the Global Economy</i> , pp. 245-282
2011	Mark Spiegel Andrew Rose	“The Olympic Effect”, <i>The Economic Journal</i> , 121 (553), pp. 652-677
2011	Mark Spiegel Andrew Rose	“Cross-Country Causes and Consequences of the Crisis: An Update” <i>European Economic Review</i> , 55(3), pp. 309-324

## OTHER UNPUBLISHED WORKING PAPERS & ARTICLES

<b>Date</b>	<b>Author</b>	<b>Title</b>
2011	Reuven Glick	“Central Bank Announcements of Asset Purchases and the Sylvain Leduc Impact on Global Financial and Commodity Markets”, forthcoming in <i>Journal of International Money and Finance</i>
2011	Reuven Glick Paul Bergin	“The Micro-Macro Disconnect of International Prices” forthcoming in <i>Review of Economics and Statistics</i>
2011	Galina Hale	“Bank Relationships, Business Cycles, and Financial Crises” forthcoming in <i>Journal of International Economics</i>
2011	Galina Hale Tali Regev	Gender Ratios at Top PhD Programs in Economics
2011	Galina Hale	Bank Relationships, Business Cycles, and Financial Crises
2011	Galina Hale Assaf Razin Hui Tong	The Impact of Creditor Protection on Stock Prices in the Presence of Credit Crunches
2011	Sylvain Leduc Jean-Marc Natal	Should Central Banks Lean Against Changes in Asset Prices?
2011	Mark Spiegel Galina Hale	“Who Drove the Boom in Euro-Denominated Bond Issues?” forthcoming in <i>Journal of International Economics</i>
2011	Mark Spiegel Jess Benhabib Alejandro Corvalan	Reestablishing the Income-Democracy Nexus
2011	Andrew Rose Mark Spiegel	“Dollar Illiquidity and Central Bank Swap Arrangements During the Global Financial Crisis”, forthcoming in <i>Journal of International Economics</i>
2011	Mark Spiegel	“Developing Asian Local Currency Bond Markets: Why and How?” forthcoming in <i>Edward Elgar, ed. by Asia Development Bank Institute</i>
2011	Mark Spiegel Andrew Rose	“The Causes and Consequences of the 2008 Crisis: Early Warning” forthcoming in <i>Global Journal of Economics</i>

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