

Paper Project 1: What Were the Causes and Consequences of “Crisis X?”

The paper can be any length you choose, so *long as you adequately answer the above question*. Producing 8-10 pages of well-polished writing is in my mind a pretty good target. Since you are working with another individual, one way to go is to divvy up the writing responsibilities, then work as a group to merge the paper (so that it doesn't read like an awkwardly stitched-together Frankenstein kind of product). But of course it's up to you. In my experience, there are some tasks better handled at the individual level, and some tasks better handled at the group level – knowing which is which is (I imagine) part of leadership skill, and an important component in a successful group project.

Here are some things to consider. This is not an exhaustive list, nor is it a set of questions that you must one by one carefully answer. They are just questions to guide you. If they are relevant to the crisis, answer them. If not, don't. But many, if not most, of the things below should be pertinent to the episode you are studying.

- What were the antecedents of the crisis? More specifically, did the financial and economic systems in place make the crisis all but inevitable? If so, what were they? Or, were there instead certain *exogenous* forces that led to the crisis? If so, what were they?
- Were there any specific warning signs that a crisis was about to happen?
- What was the role of banks, if any, in all this?
- Was there a central bank(s) that played a key role in the crisis? Did it do a “good job?” Or did a central bank newly form as a result of the crisis? Was there a *de facto* “lender of last resort” other than a central bank? Was there an *international* lender of last resort?
- Were there sovereign debt defaults that led to the crisis? Were there sovereign debt defaults that resulted from the crisis? Was this debt domestically or internationally owed?
- Was inflation or deflation part of the cause of the crisis? Was inflation or deflation part of the consequence of the crisis? Do explain.
- For each affected country, what kind of currency arrangement was there (Gold standard? Fixed exchange rate regime? Floating exchange rate regime?)? Did the currency arrangement make the crisis worse or better?

- What were the main economists/academics saying about the crisis at the time? What were the politicians saying about the crisis at the time?
- Did global forces ameliorate or exacerbate the crisis (trade, capital flows, knowledge/technology flows, international debt, etc.)? How?
- Was there a major international *contagion* effect of the crisis?
- What was the media's role, if any, in the crisis?
- What were some of the long-lasting implications of the crisis, perhaps some surprising things that one would not immediately think of?

You will be graded as a group, and your grade will be based on three components – the *content* (how well-researched is the project), the *idea* (how well do you answer some of the questions above), and the *execution* (is it a well-written coherent paper).

Enjoy. Looking forward to reading the final product.

Crisis Episodes (choose one):

Default of England in 1340

Seven defaults by imperial Spain in the 1500s

Bursting of “tulip mania” in the Netherlands in 1637

Bursting of South Sea Bubble (Great Britain) and Mississippi Bubble (France) in 1720

Crisis of 1772 (United Kingdom and North America)

Panic of 1792 (Bank of New York)

Panic of 1796–1797 (United Kingdom and the United States)

State bankruptcy of 1813 (Denmark)

Panic of 1819 (United States)

Panic of 1825 (United Kingdom, Europe, Latin America, the United States)

Panic of 1837 (United States)

Panic of 1847 (United Kingdom)

Panic of 1857 (United States)

Panic of 1866 or the Overend Gurney crisis (United Kingdom, Europe)

Panic of 1873 or the Long Depression (United States, Europe)

Panic of 1884 (United States, Europe)

Panic of 1890 (United Kingdom, Argentina)

Panic of 1893 (United States)

Banking crisis of 1893 (Australia)

Panic of 1896 (United States)

Panic of 1901 (New York Stock Exchange)

Panic of 1907 (United States)

Panic of 1910–1911 (United States)

Shanghai rubber stock market crisis of 1910 (China)

Oil Crisis of 1973 (much of the World)

Secondary banking crisis of 1973–1975 (United Kingdom)

Debt crisis of the 1980s (Latin America)

Bank stock crisis of 1983 (Israel)

Black Monday, 1987 (Hong Kong, Europe, the United States)

Savings & Loan crisis, 1989-1991 (United States)

Asset bubble collapse, 1990 (Japan)

Banking crisis, early 1990s (Scandinavia)

Black Wednesday, 1992-1993 (United Kingdom, Europe)

Economic crisis in Mexico, 1994-1995

Asian financial crisis, 1997-1998

Russian financial crisis, 1998