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 17-20 pages of well-polished writing is in our minds a pretty good target. Since you are working with two or three other individuals, 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 immediate 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.