

Crisis, Collaboration, and Confidence: The Global Economy and the Future of the Bretton Woods Institutions

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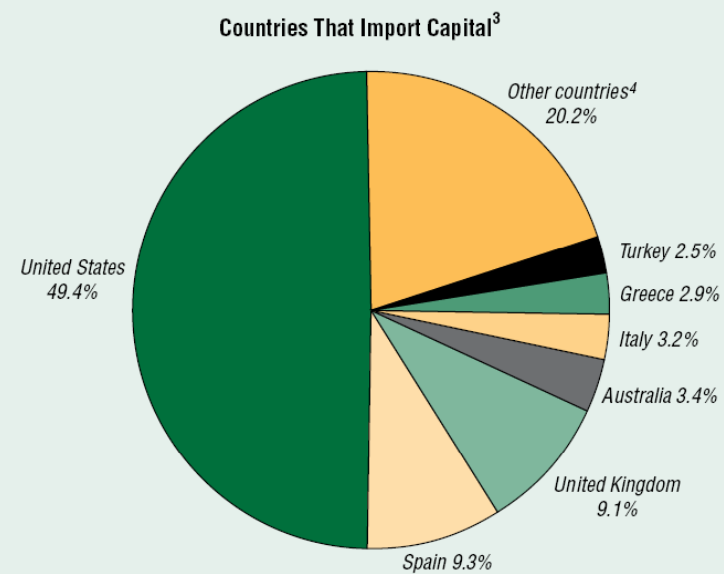
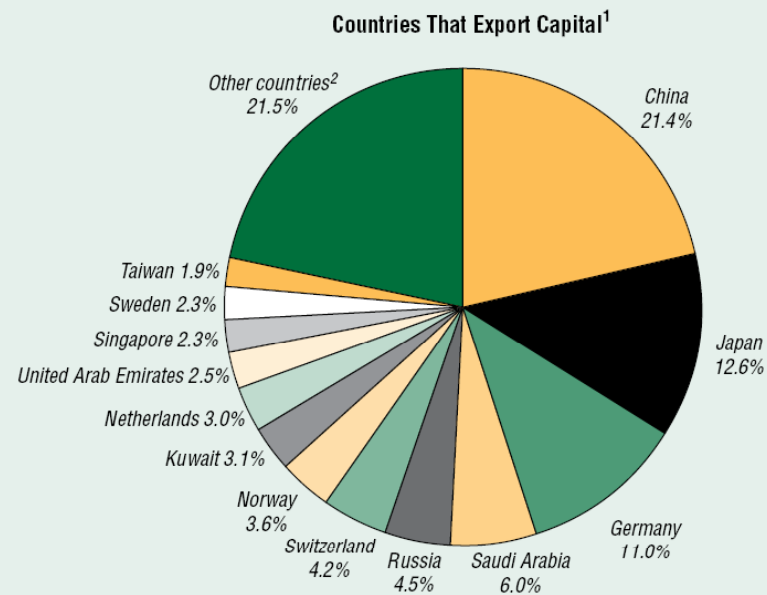
Slides from diverse sources, including Financial Services Authority of the United Kingdom, *The Turner Review*, March 2009; Bank for International Settlements, and International Monetary Fund.

Crisis, Collaboration, and Confidence

- **Introduction**
- **Economic context**
- **Nationalism, open markets, and political authority**
- **The nature of crises in integrating markets**
- **Crisis prevention, management, and resolution**
- **Dilemmas of cross-border adjustment**
- **Currencies and crises**
- **The reform agenda**

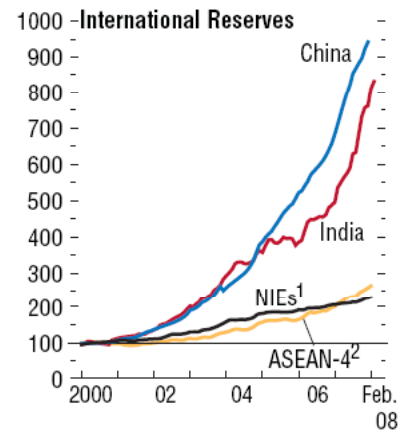
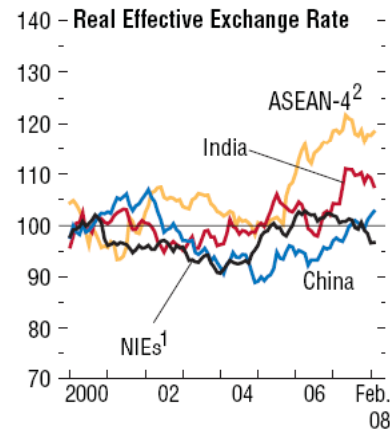
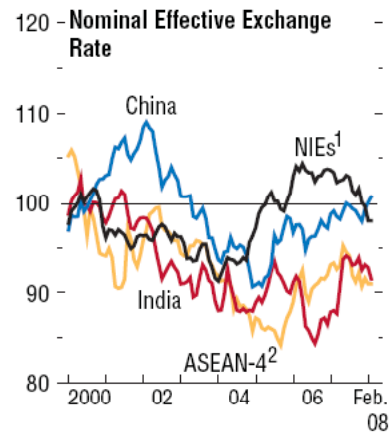
Economic context

Figure 1. Major Net Exporters and Importers of Capital in 2007



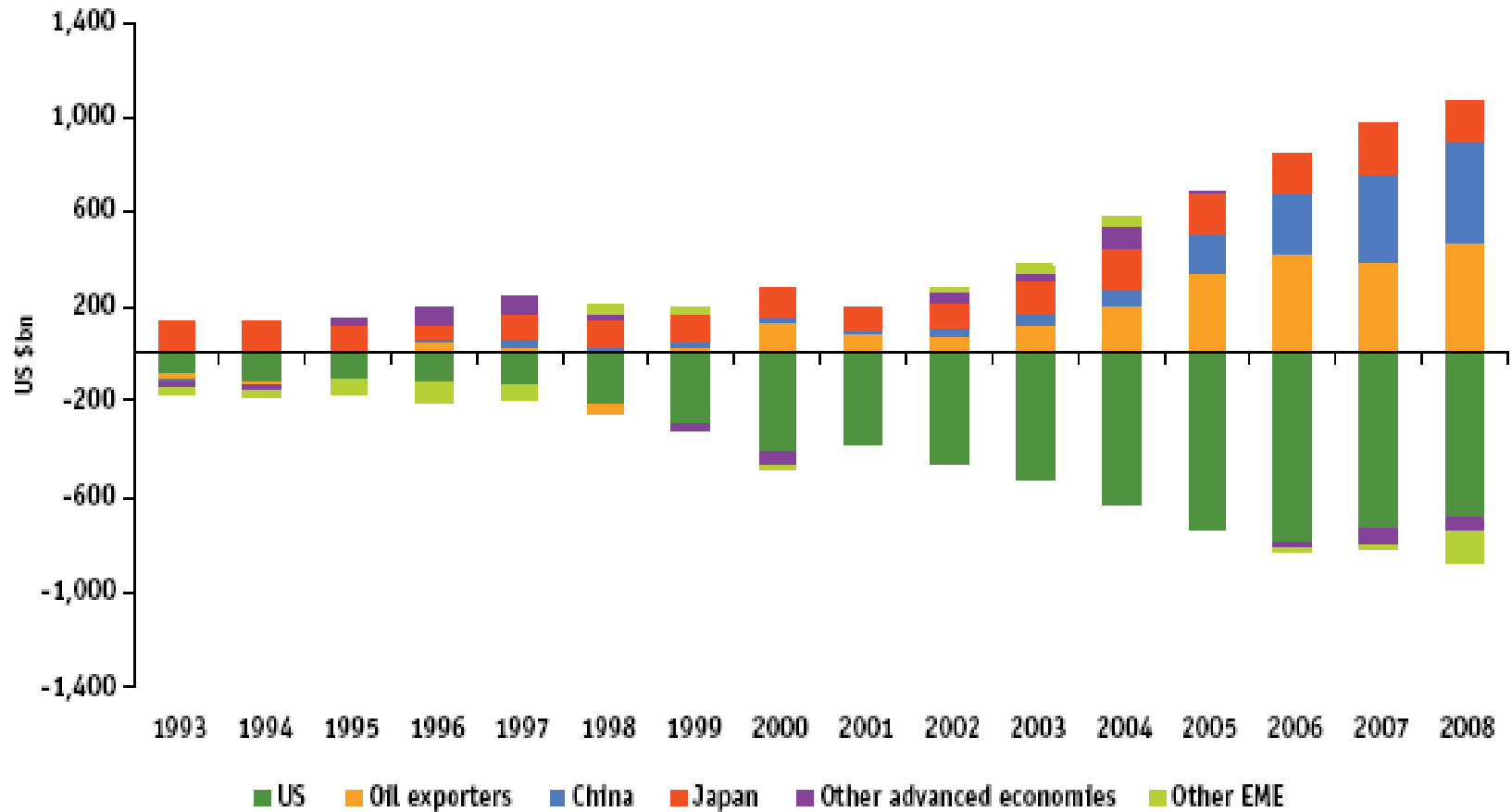
Source: IMF, *World Economic Outlook* database as of March 18, 2008.

External Developments in Emerging Asian Economies



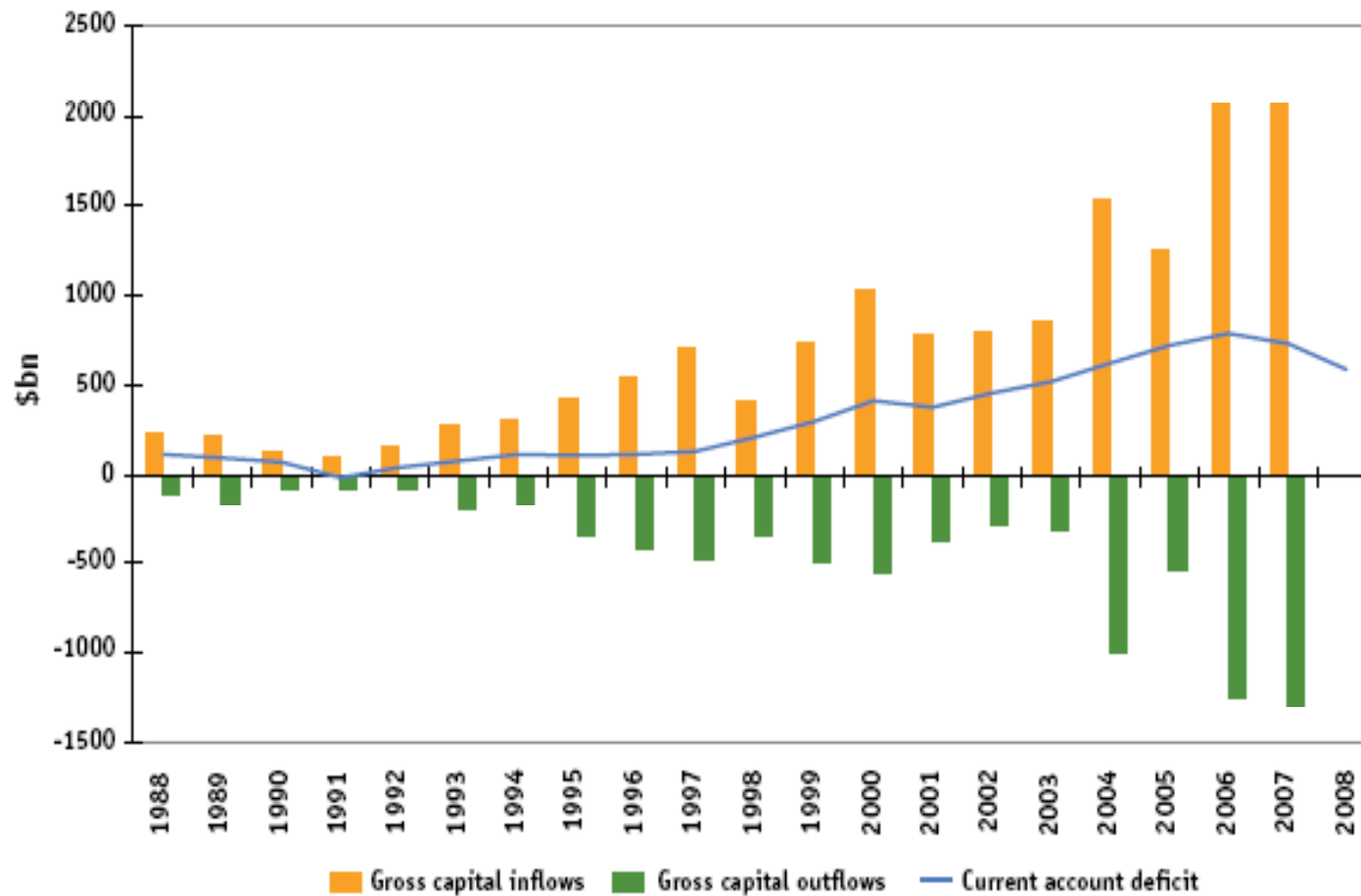
Sources: IMF, *International Financial Statistics*,

Global current account balances



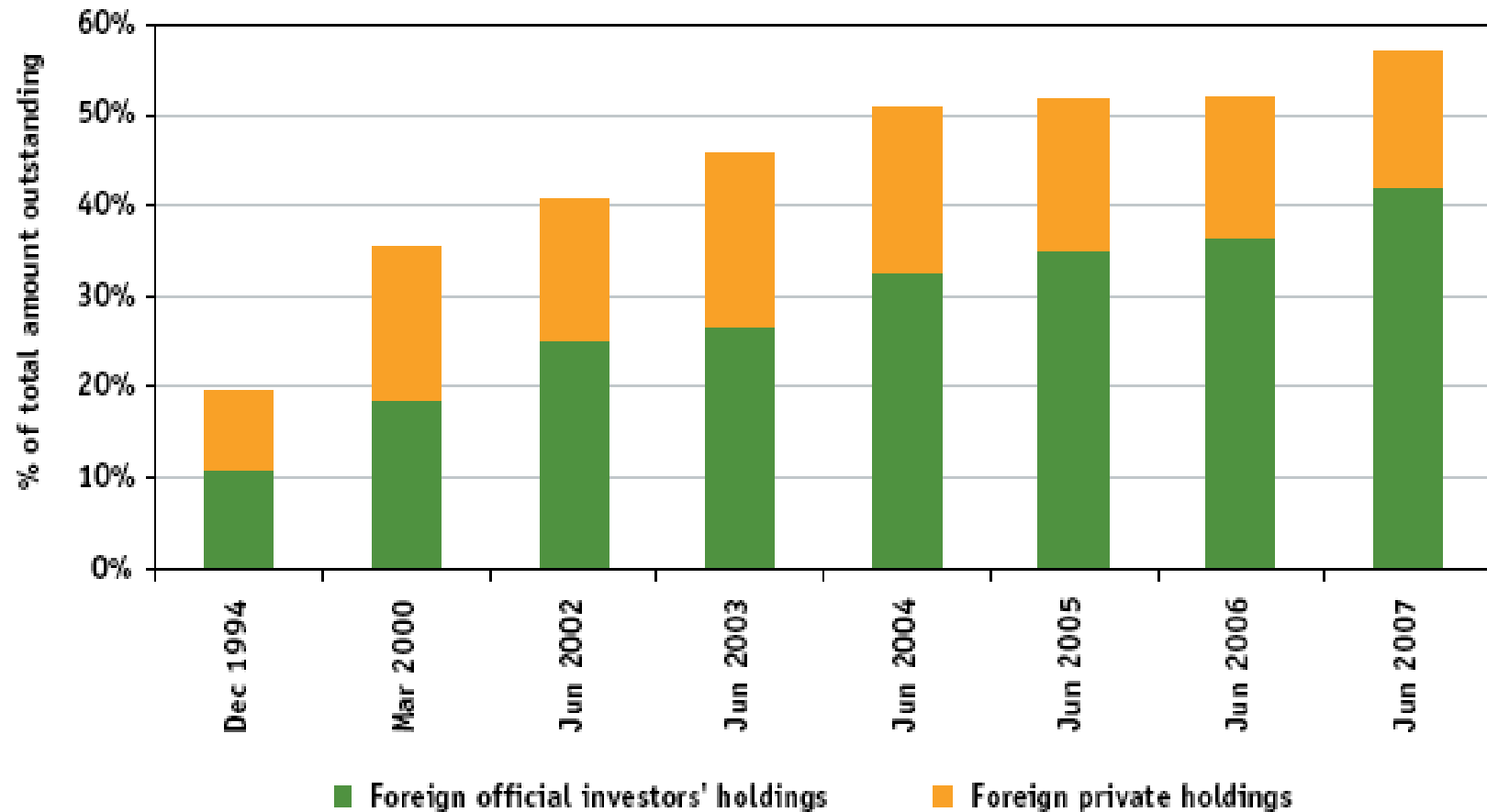
Source: IMF, FSA calculations

US current account and gross capital flows



Source: IMF

Foreign ownership of US Treasury bonds



Source: IMF, US Treasury

Household debt as a proportion of GDP

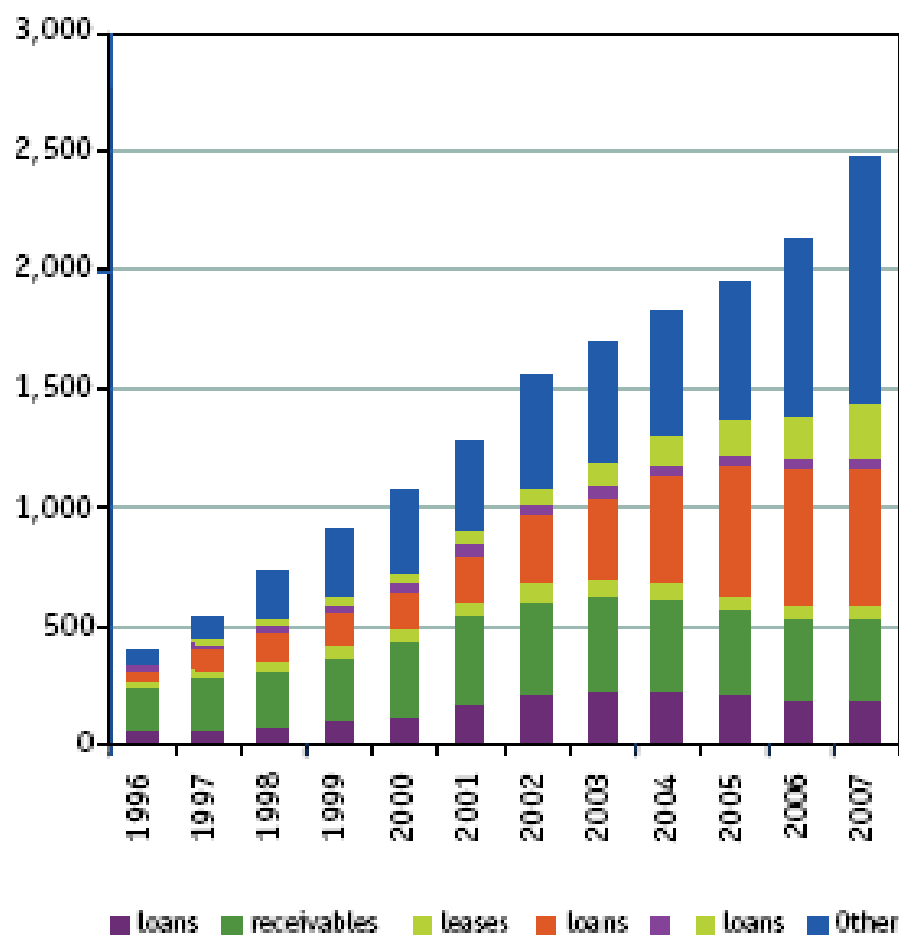


Source: ONS, Federal Reserve, Eurodata, Bureau of Economic Analysis, PSA calculations

**Nationalism, open markets,
and political authority**

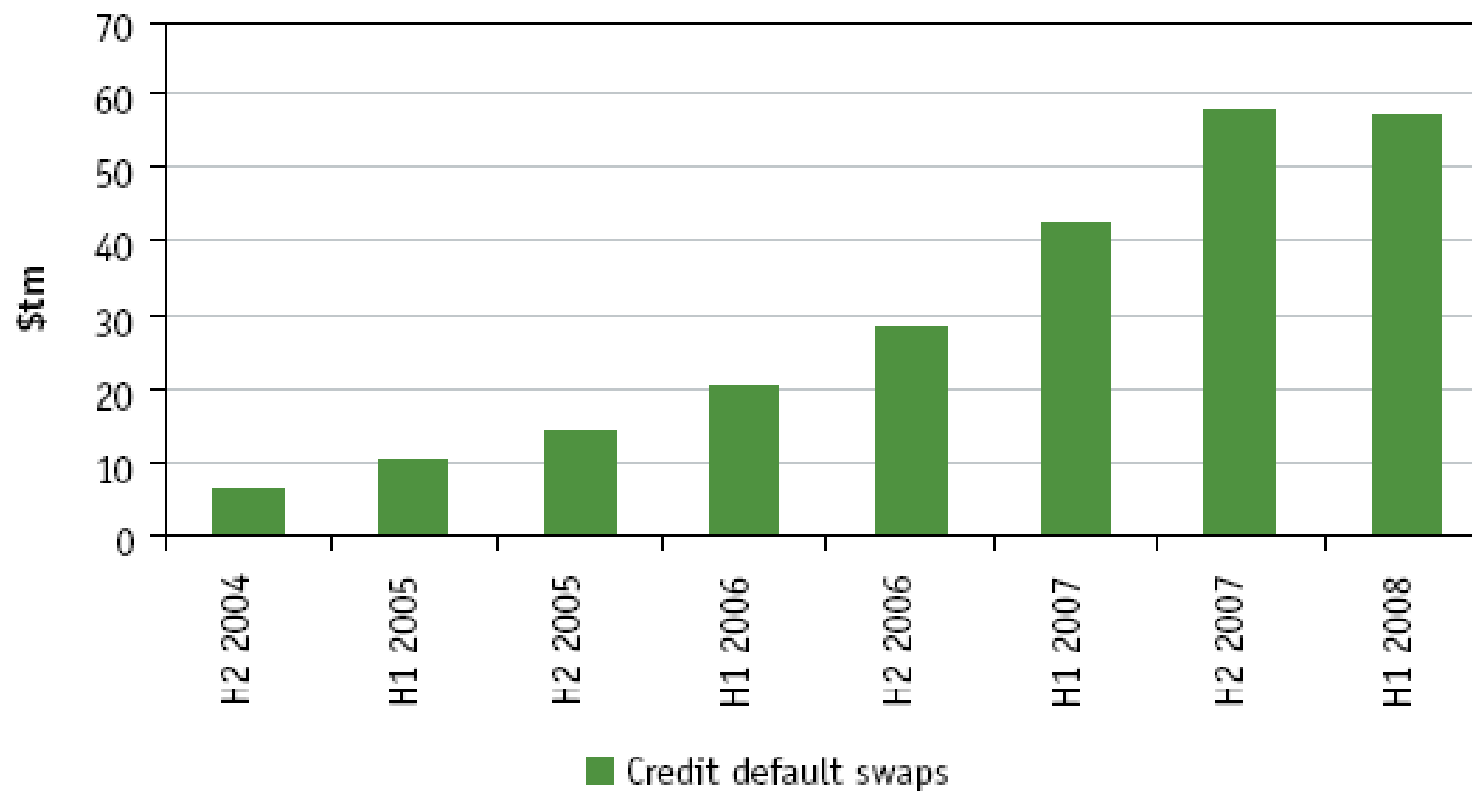
The nature of crises in integrating markets

Growth in asset-backed securities in the United States



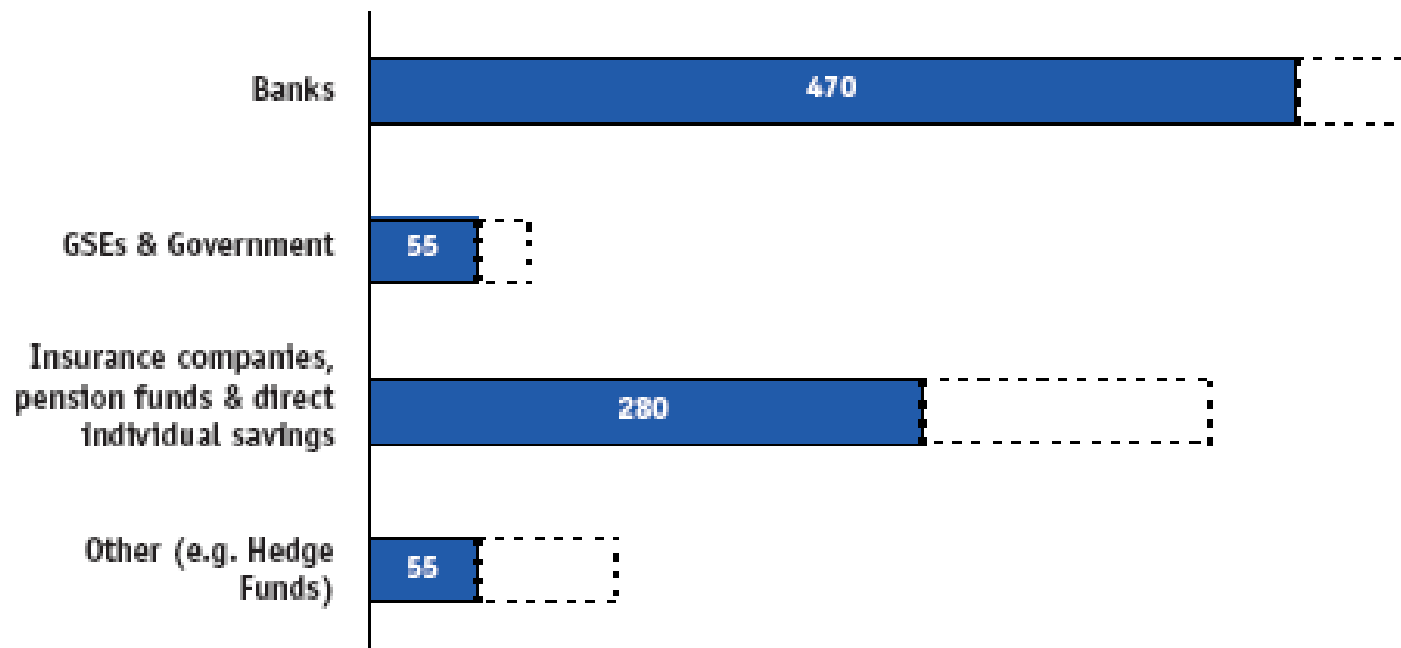
Source: SIFMA

Global growth in credit default swaps



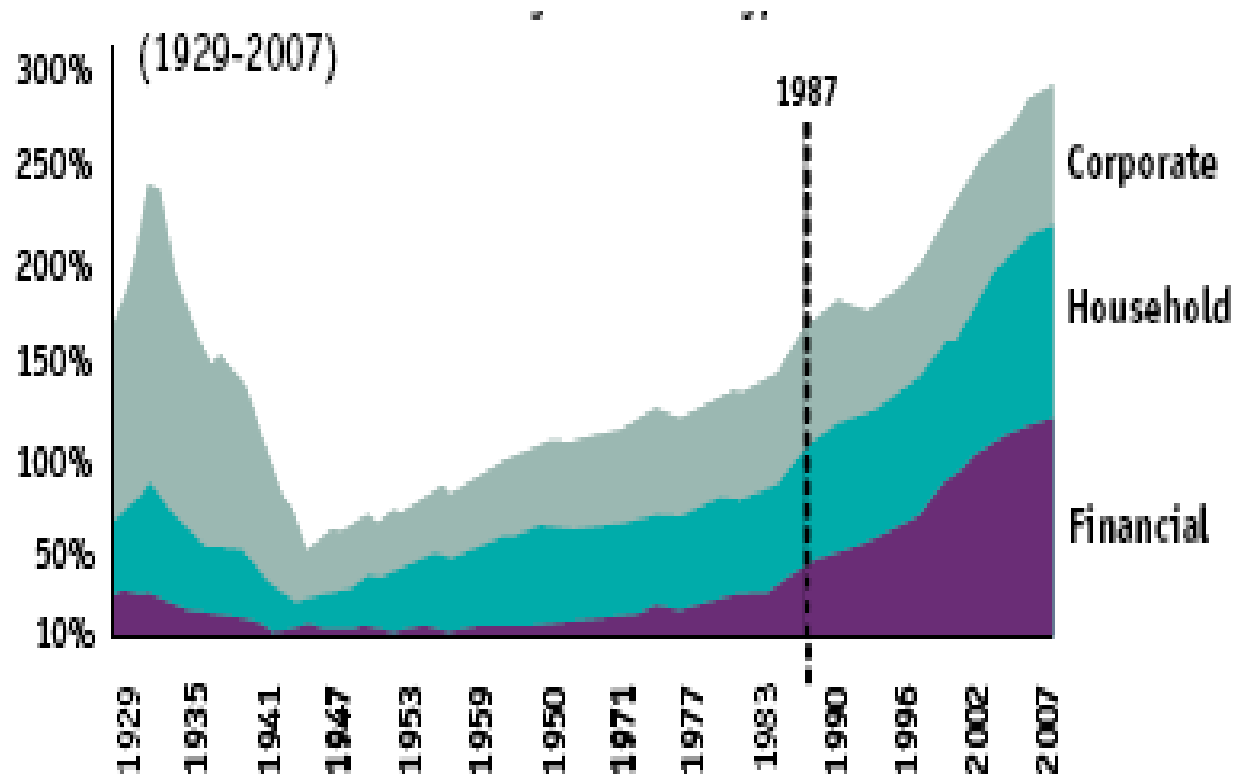
Source: BIS Quarterly Review, December 2008

Estimate of mark-to-market losses on US credit securities



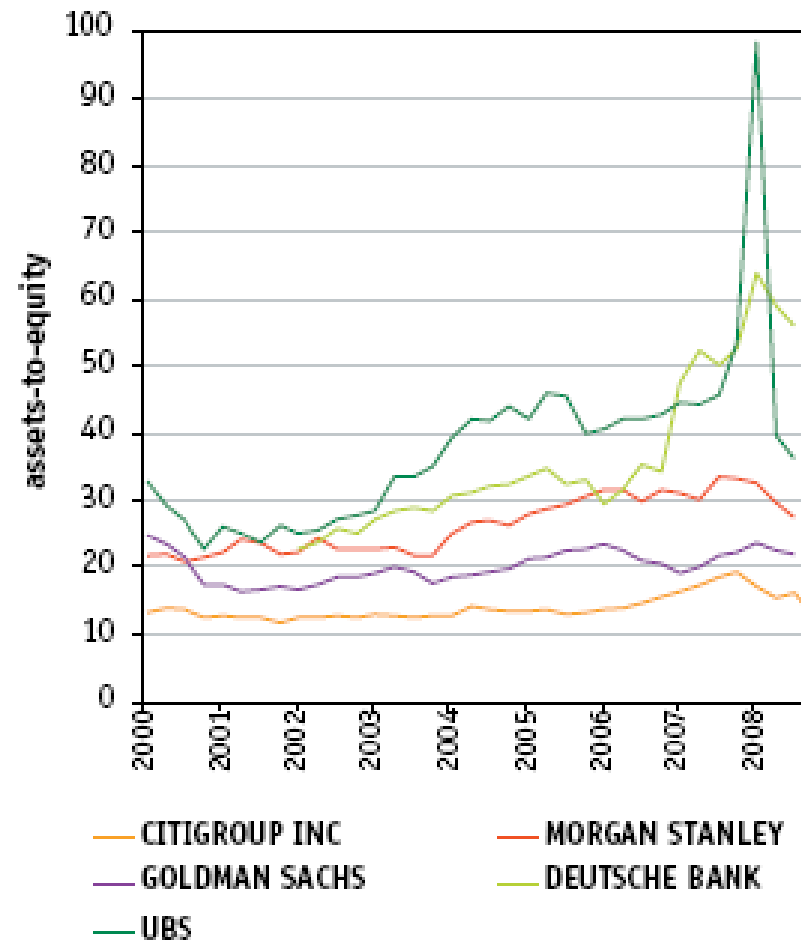
Source: IMF Global Financial Stability Report, October 2008

Total debt to GDP in the United States



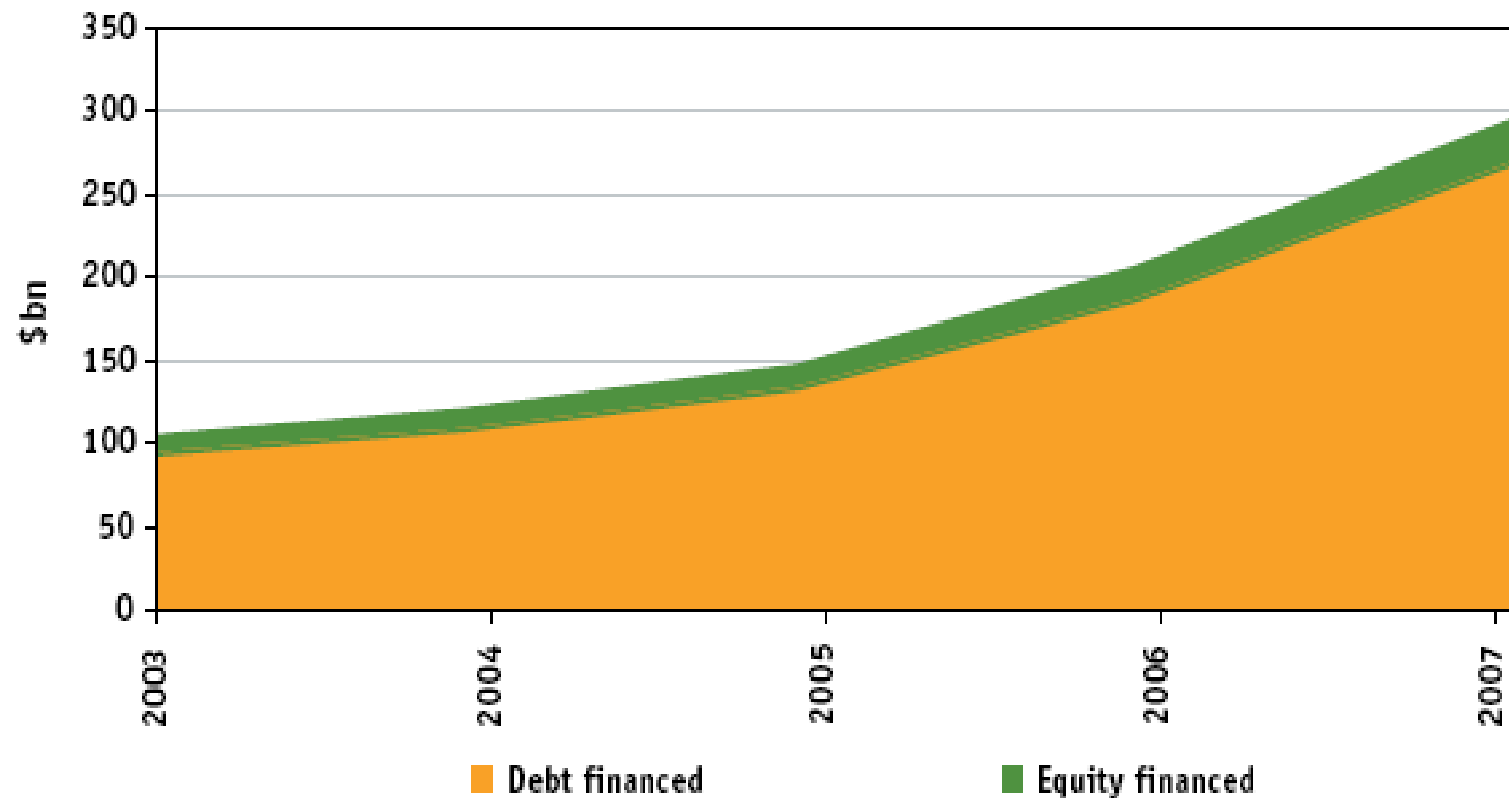
Source: Oliver Wyman

Investment bank leverage



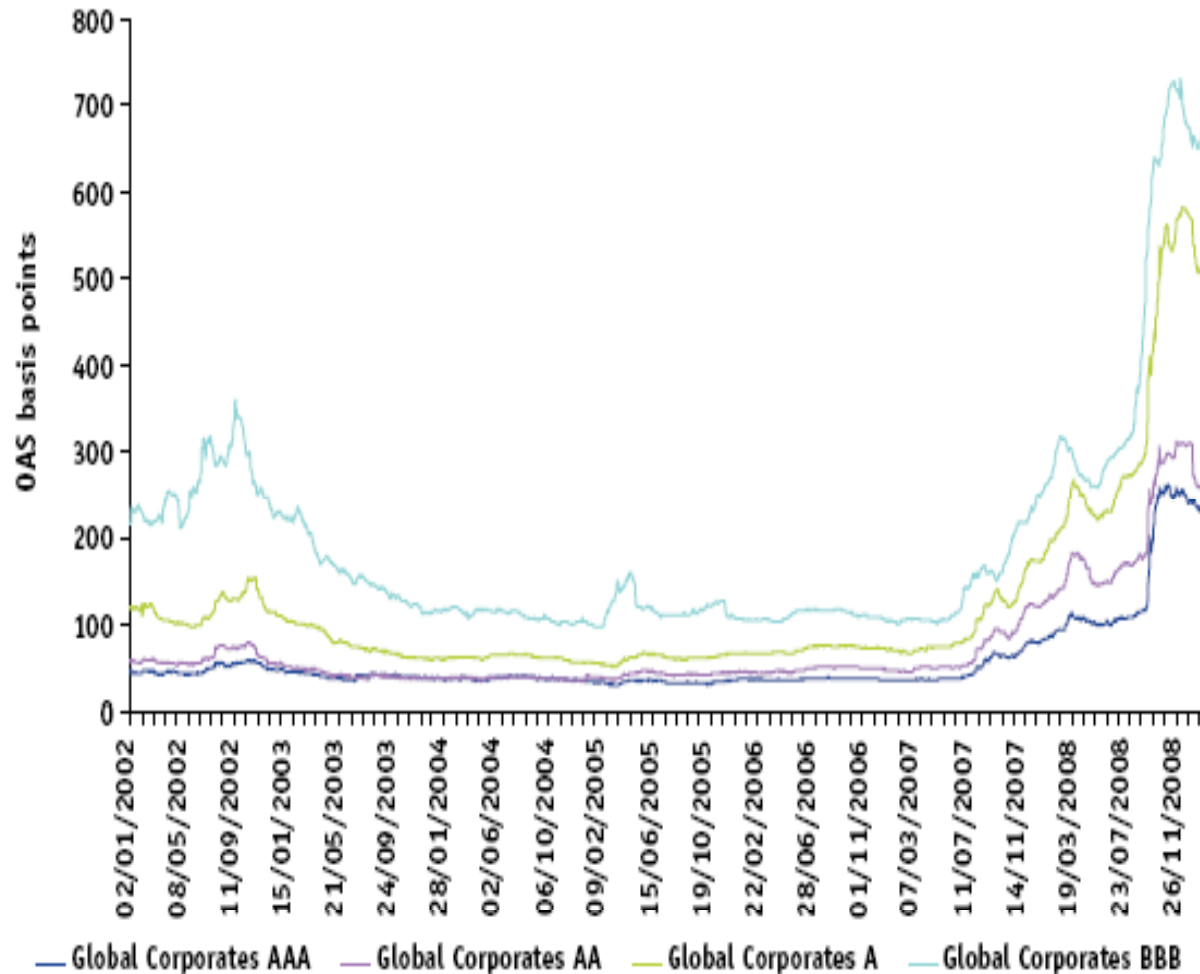
Source: Bloomberg

Growth of structured investment vehicles, mainly off bank balance sheets



Source: Standard & Poor's

Corporate spreads



Source: Bloomberg

Crisis prevention, management, and resolution

Dilemmas of cross-border adjustment

Currencies and crises

The reform agenda