



Summary

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Editors: Elizabeth Dunn and Michael Stephens

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LETTER FROM THE DIRECTOR OF RESEARCH

To our readers:

This issue opens with a policy note by Senior Scholar L. Randall Wray under the Monetary Policy and Financial Structure program. Following the outgoing governor of the Chinese central bank's warning of an impending "Minsky moment" for China, Wray compares the state of the Chinese financial system to that of the United States and argues that the next crisis is likely to emerge from the US financial sector. He cautions that US policymakers are not prepared to handle the instability on the horizon.

Also under the Monetary Policy and Financial Structure program, Wray contributes a working paper that examines the writings of Hyman Minsky and Abba Lerner on the topic of functional finance to ascertain whose influence had the more lasting impact on the evolution of Modern Money Theory.

In a working paper under the Gender Equality and the Economy program, Research Scholar Tamar Khitarishvili undertakes a meta-analysis of the existing literature on the gender pay gap in the countries of the Former Soviet Union to determine what drives the gap's movements, and suggests these findings can assist in the creation of policy aimed at remediating inequalities.

Under the Economic Policy for the 21st Century program, Scott Fullwiler, Research Associate Stephanie A. Kelton, Catherine Ruetschlin, and Marshall Steinbaum investigate "The Macroeconomic Effects of Student Debt Cancellation." In this research project report, the authors present the results of a simulated one-time cancellation of all existing student loans (those owned by the US government, as well as those from private lenders), indicating positive macroeconomic feedback effects, including an increase in GDP and employment; a modest increase in the federal budget deficit and interest rates; and little inflationary pressure (while state budgets improve).

Also under the Economic Policy for the 21st Century program, a working paper by Samiksha Agarwal and Research Associate Lekha S. Chakraborty employs data from over 5,000 Indian firms to determine which factor of production bears the economic burden of a corporate tax in a modern, open economy.

Finally, I would like to take a moment to remember the life of Richard Aspinwall, who passed away on February 1. Aspinwall, a long-time collaborator with the Institute and friend of Distinguished Scholar Hyman Minsky, received his Ph.D. from the Graduate School of Business at Columbia University in 1968 and was with Chase Manhattan Bank for almost 29 years, where he was named Senior Vice President and Chief Economist in 1991 and Director of Public Policy Research in 1997. Aspinwall was a founding member of the Shadow Financial Regulatory Committee, serving on the committee from 1986 to 2000.

As always, I welcome your comments.

Jan Kregel, *Director of Research*

Program: Monetary Policy and Financial Structure

Does the United States Face Another Minsky Moment?

L. RANDALL WRAY

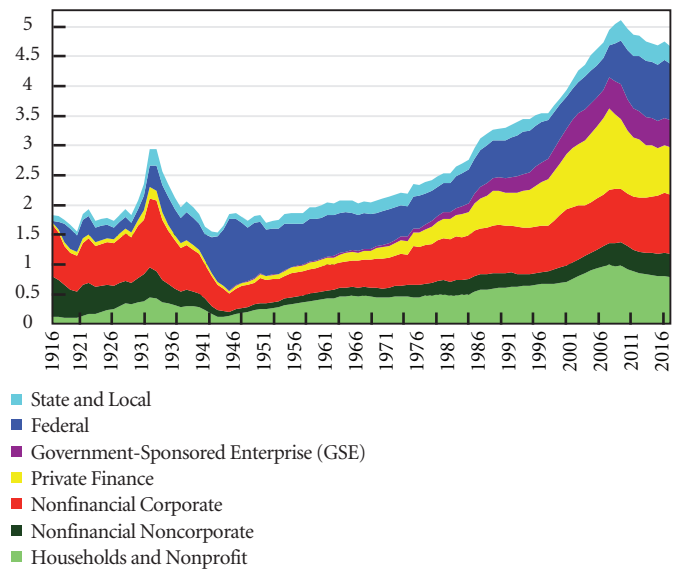
Policy Note 2018/1, February

In this policy note, Senior Scholar L. Randall Wray compares the prospects of financial instability in the United States and China—where the outgoing central bank governor recently warned of a Chinese “Minsky moment”—and argues that the next crisis will begin in the US financial sector, most likely off the balance sheets of the biggest banks. He warns that US policymakers are not prepared to handle the coming crash.

Wray points to the growth of financial sector debt as a remarkable feature of the later postwar economy. This growing “financialization” has been characterized by modern financial giants issuing short-term debt to take positions in assets; the process then multiplies as buyers of this financial-institution debt issue debt to other financial institutions to finance their own positions, generating a chain of borrowing—“financial layering of debt-on-debt,” as Wray describes it. In the United States, financial sector debt rose to 137 percent of GDP by the time of the global financial crisis (GFC), Wray points out, which was greater than household, nonfinancial corporate, or government debt (Figure 1). Before the GFC, financial sector indebtedness was generally ignored by mainstream economists, but the fragility engendered by this financial sector “interconnectedness” is what brought down the system—and will do so again, according to Wray.

Although Western commentators have weighed in on both sides of the debate about the likelihood of China’s debt bubble bursting, Wray argues that too little attention is being paid to the far more probable repeat of a US financial meltdown. He observes that the US private financial and nonfinancial debt ratio is higher than that of China, and cautions

Figure 1 Ratio of Total Liabilities to GDP



Note: The government sector excludes all financial activities of the government (retirement funds, Ginnie Mae, etc.). The GSE sector includes government-sponsored enterprises and agency- and GSE-backed mortgage pools (includes, among others, Ginnie Mae and Federal Housing Administration pools). “Financial” excludes the GSE sector and monetary authorities (which are both part of the financial sector in the Flow of Funds accounts). Before 1945, liabilities for financial institutions are computed from Census Bureau data by taking all the liabilities (excluding equity) of commercial banks, credit unions, savings institutions, life insurance stock companies, and property and life insurance companies, and by removing private bank notes, all deposits, and life insurance reserves. From 1945, the total liabilities of the financial sector excludes net interbank liabilities of commercial banks, liabilities of monetary authorities, private and public pension fund liabilities, money market mutual fund shares, mutual fund shares, and the items previously cited. The liabilities of monetary authorities are not included anywhere.

Sources: Historical Statistics of the United States: Millennial Edition (Tables Ca9–19, Ce42–68, Cj265–272, Cj362–374, Cj389–397, Cj437–447, Cj748–750, Cj751–765, Cj787–796, and Cj870–889), Historical Statistics of the United States: Colonial Times to 1970 (Series X 689–697); NIPA; Flow of Funds (from 1945)

that there are difficulties in comparing the financial systems of these countries, noting that both systems feature substantial “shadow banking” sectors. Although the Chinese shadow banking sector has been growing more rapidly than its US counterpart since the GFC, the United States still holds roughly 40 percent of global shadow banking assets (while China’s share is only around 8 percent). In addition, the part of the US financial system that is not “in the shadows” is larger, relative to the size of the US economy, than is China’s (relative to the Chinese economy)—this despite the fact that China’s financial sector has experienced rapid growth. Wray emphasizes that problems in the shadow banks can quickly

spread to the regulated part of the system, as occurred during the GFC.

Wray argues that Chinese policymakers are more likely to successfully handle problems emerging in their financial system. He points out that China has shown a willingness, for instance, to move troubled assets into its state banking system. The current leadership in Washington, DC, by contrast, inspires little confidence in their ability to handle an acute crisis, according to Wray—and even if they were inclined to act, the 2010 Dodd-Frank Act makes it more difficult for policymakers to bail out big financial institutions.

Wray also emphasizes that the Chinese economy, although slowing down, still has more favorable growth prospects as compared to the United States, and Chinese policymakers have committed to reorienting their economy away from exports and toward building up domestic consumption. US GDP growth has been weak, with median incomes stagnating, and the Federal Reserve seems inclined to prevent the economy from growing at capacity for fear of inflation, Wray observes. Meanwhile, Congress and the current administration are moving to loosen financial regulations and consumer protections.

Wray notes that “too-big-to-fail” US financial institutions have greater market shares than they did before the GFC and the financial sector’s indebtedness is still at a dangerously high 80 percent of GDP. He argues that little has been done about the shadow (non-regulated) financial system, while the biggest banks, spurred on by low interest spreads, have resurrected some of the risky practices that played a role in the last crisis.

Finally, Wray observes that US equity markets have produced their third stock market bubble since the late 1990s. And while he stresses that the bursting of stock market bubbles does not always produce financial crises, the combination of overvalued stocks, overleveraged banks, an under-supervised financial system, high indebtedness across sectors, and growing inequality should remind us of the conditions of 1929 and 2007.

www.levyinstitute.org/pubs/pn_18_1.pdf

Functional Finance: A Comparison of the Evolution of the Positions of Hyman Minsky and Abba Lerner

L. RANDALL WRAY

Working Paper No. 900, January 2018

Senior Scholar L. Randall Wray presents an overview of the writings of Abba Lerner and Levy Distinguished Scholar Hyman Minsky with regard to the functional finance approach to fiscal policy to assess how their beliefs evolved, and how these beliefs contributed to the formation of today’s Modern Money Theory (MMT).

The functional finance approach implies that a policy’s focus should be on its functional outcome rather than its budgetary impacts. Lerner outlined the two main principles of functional finance in his concept of the “steering wheel” (government uses its monetary and fiscal policy authority to maintain full employment and prevent inflation), and the notion of “money as a creature of the state” (the issuer of the sovereign currency cannot run out of money). These ideas—while not uncommon in the post-WWII era—fell out of favor following the rapid inflation of the 1960s, which seemed to discredit the use of fiscal policy in pursuit of full employment. Accompanied by an extension of the consumer budget constraint to the government that changed the way economists thought about taxation and money creation, functional finance was seemingly banished from discussion until its revival with MMT in the 1990s. Wray contends it was during the intervening years from the 1960s to the 1990s that both Minsky and Lerner refined their views, and it is Minsky’s more nuanced position that remained truer to the principles at the heart of functional finance and, by extension, MMT.

Wray suggests that Minsky came to see Lerner’s functional finance approach as too mechanistic and devoid of the institutional realities of modern capitalism (a position that the author notes Lerner took in his later writings as well). Accepting that money was a creature of the state, Minsky understood there was no default risk in the system, but rather it is how money is spent that matters, leading him to reject the Phillips curve inflation/unemployment trade-off, and instead propose that inflation is caused by misdirected spending. Investment became supercharged, Minsky suggested, as distribution shifted toward profits, resulting in a “euphoric expectational climate” that policymakers tried

to tame through tight monetary policy. His writings of the late 1960s recognized general increases in aggregate demand were not enough to sustain full employment, and stressed the importance of directed spending, specifically through a program of direct job creation for the unemployed that would reduce inequality and enhance price and financial stability. This, Wray asserts, does not represent Minsky's rejection of the fundamentals of functional finance, but rather a refinement of these principles that acknowledged microeconomic realities.

By the 1980s, Minsky argued the quality of US government debt had deteriorated, and an increasing amount of debt service was leaking out of the system in the form of interest payments to foreign holders of US debt. Wray notes that while war finance had proven that fiscal capacity was not constrained by tax revenue, Minsky had concerns that the economy would be subject to an "inflation tax" if it could not "validate" its debt with taxes (i.e., in order to avoid a Ponzi situation where current operations plus interest could not be serviced from income). Though on the surface this appears that Minsky was worried about "financing" spending, Wray argues these concerns were instead about inflation and the ability of the government to produce a sufficiently tight budget when needed to prevent rapid price increases (and, potentially, a falling dollar).

In an unpublished manuscript Minsky was working on at the time of his death in 1996, Wray finds what he calls Minsky's "alternative construction of functional finance"—solutions Wray considers not to run counter to the principles of functional finance, but rather those that respect the microeconomic issues of the modern developed economy, such as the rise in financial fragility and globalization, as well as the increasing power of both large corporations and labor unions. The author compares this to what Lerner called a "peace settlement," from a 1977 article written in response to the era's stagflation, that divorces fiscal policy from money creation in what Wray considers an embrace of monetarism and a rejection of functional finance.

Given the evidence, Wray concludes that while both Lerner's and Minsky's positions on functional finance evolved over nearly 50 years of writings, Lerner ultimately embraced a combination of monetarism and Keynesianism that rejected some of the principles of functional finance, whereas Minsky never rejected, but only modified, his stance. Therefore it is

Minsky, more than Lerner, whose work remains essential for the further development of MMT.

www.levyinstitute.org/pubs/wp_900.pdf

Program: Gender Equality and the Economy

Gender Pay Gaps in the Former Soviet Union: A Review of the Evidence

TAMAR KHITARISHVILI

Working Paper No. 899, January 2018

To examine the patterns and movements of the gender pay gap in the countries of the Former Soviet Union (FSU), Research Scholar Tamar Khitarishvili undertakes a meta-analysis of the existing research and places the findings in the context of advanced economies. Using data from over 30 publications, she finds that a large portion of the gap is attributable to unobserved differences and it is the narrowing of the gap in these areas that has been most responsible for the overall contraction, offering possible avenues for new research into policy for remediating inequality.

Gender pay gaps are an important measure of labor market inequality and pinpointing their source is critical to implementing policy to combat them. The FSU's socialist past, which provided higher education for women and a strong social care infrastructure, largely insulated them from pay gaps of the magnitude seen in advanced economies prior to the 1990s. However, recent evidence suggests these supports have deteriorated, and pay gaps across the region, while varying in size, are significant. Khitarishvili notes observable factors (i.e., differences in human capital characteristics, and industrial and occupational segregation) are only responsible for approximately 10 percent of the gap, with nearly 90 percent attributable to unobserved factors. To ascertain what drives the unobserved factors, Khitarishvili evaluates the role of differences in methodologies and sample restrictions in biasing the results.

Looking at the data for FSU countries reveals there is considerable variation across the region, with gaps there consistently larger than those for advanced economies. Khitarishvili

notes that while these gaps are present and significant, they have narrowed across the region over the past 25 years, in line with evidence from other economies with a similar level of GDP. Though the specific reasons for the narrowing of the gap in the FSU vary from country to country, the author contends the vast majority of the contraction is attributable to improvements in unobserved factors.

Of the changes attributable to observed factors, female advantages in educational attainment slightly outweigh their disadvantages from the Soviet-era legacy of industrial and occupational segregation. However, evidence shows that despite their strong enrollment in higher education, the presence of other observed factors (such as age and number of children) increase the wage gap.

Turning to the unexplained portion of the gap, Khitarishvili suggests that the assumptions underlying the estimation approaches, as well as measurement errors in their variables, lead to an overestimation of the gap's magnitude, though not enough to explain the substantially wider gap in the FSU region compared to advanced economies. Issues related to personality traits (such as the desire to compete and willingness to bargain), and selection issues (such as negative selection into employment and the presence of wage arrears) appear to play a role in the unexplained portion of the wage gap, though at rates similar to those found in advanced economies. However, labor market discrimination appears to be the main culprit underlying the high unexplained portion of the gap, potentially aided by the weak state of worker's rights and wage-setting institutions, such as unions.

Addressing the decline in the unexplained portion of the gap, she proposes that one answer lies in the recent movements in the overall pay dispersion for the region, with studies demonstrating a compression in the wage dispersion facilitating a contraction in the wage gap and its unexplained portion. The recent expansion of the service sector, instrumental in decreasing the wage gap in the United States, is also benefiting the FSU region, as are public sector reforms, such as gender-equality legislation and regulatory changes—though the impact of the legislation is dependent on the strength and scope of enforcement. In addition, the 2008 financial crisis has played a role, underscoring that contractions in the gap may reflect a deterioration of both men's and women's absolute positions rather than an improvement of women's position overall.

Khitarishvili advocates for continued study of these and other factors as part of an arsenal of interventions to address gender inequality in the face of the emerging challenges presented by an aging population and growing care needs likely to be borne by women.

www.levyinstitute.org/pubs/wp_899.pdf

Program: Economic Policy for the 21st Century

The Macroeconomic Effects of Student Debt Cancellation

SCOTT FULLWILER, STEPHANIE A. KELTON,
CATHERINE RUETSCHLIN, and MARSHALL STEINBAUM
Research Project Report, February 2018

In this report, Scott Fullwiler, University of Missouri–Kansas City, Research Associate Stephanie A. Kelton, Catherine Ruetschlin, and Marshall Steinbaum, Roosevelt Institute, contribute to the debate on the reorientation of US higher education policy by examining the likely macroeconomic impacts of a federally funded cancellation of all outstanding student loan debt. This one-time policy of student debt cancellation would involve the federal government canceling the loans it holds directly (which constitute the overwhelming majority of the \$1.4 trillion in outstanding loans) and taking over the financing of privately owned loans on behalf of borrowers.

The first section explores the current US context of increasing college costs and reliance on debt to finance higher education and examines the distributive implications of a student debt cancellation. The authors argue that objections to student debt cancellation rooted in their supposedly regressive impact are overdrawn and often based on misinterpretations of the evidence about who is most burdened by student debt. The second section describes the financial transactions and balance sheet effects that would accompany the debt cancellation, and concludes that there would be no budgetary “free lunch” by having the Federal Reserve carry out the cancellation. The final section simulates the economic effects of this debt cancellation using two models, each under alternate assumptions about

the Fed's interest rate response: Ray Fair's US macroeconomic model and Moody's US macroeconomic model.

Student debt cancellation results in positive macroeconomic feedback effects as average households' net worth and disposable income increase, driving new consumption and investment spending. The authors find that debt cancellation lifts GDP, decreases the average unemployment rate, and results in little inflationary pressure (all over the 10-year horizon of the simulations), while interest rates increase only modestly. Though the federal budget deficit does increase, state-level budget positions improve as a result of the stronger economy. Running the debt cancellation scenario using two models with contrasting long-run theoretical foundations offers a potential range for each of these effects.

The policy of debt cancellation could boost real GDP by an average of \$86 billion to \$108 billion per year (all dollar values are in real, inflation-adjusted terms, using 2016 as the base year). Over the 10-year forecast, the policy generates between \$861 billion and \$1,083 billion in real GDP. Eliminating student debt reduces the average unemployment rate by 0.22 to 0.36 percentage points over the 10-year forecast and peak job creation in the first few years following the elimination of student loan debt adds roughly 1.2 million to 1.5 million new jobs per year.

In the Fair model simulations, additional inflation peaks at about 0.3 percentage points and turns negative in later years. In the Moody's model, the effect is even smaller, with the pickup in inflation peaking at a trivial 0.09 percentage points. Nominal interest rates rise modestly. In the early years, the Federal Reserve raises target rates 0.3 to 0.5 percentage points; in later years, the increase falls to just 0.2 percentage points. The effect on nominal longer-term interest rates peaks at 0.25 to 0.5 percentage points and declines thereafter, settling at 0.21 to 0.35 percentage points.

The net budgetary effect for the federal government is modest, with a likely increase in the deficit-to-GDP ratio of 0.65 to 0.75 percentage points per year. Depending on the federal government's budget position overall, the deficit ratio could rise more modestly, ranging between 0.59 and 0.61 percentage points. However, as the authors explain, given that the costs of funding the Department of Education's student loans have already been incurred, the more relevant estimates for the impacts on the government's budget position (that is,

relative to current levels) are an annual increase in the deficit ratio of between 0.29 and 0.37 percentage points. By contrast, state budget deficits as a percentage of GDP improve by about 0.11 percentage points during the entire simulation period.

The authors point to other positive spillover effects that are not accounted for in these simulations, including increases in small business formation, degree attainment, and household formation, as well as improved access to credit and reduced household vulnerability to business cycle downturns. www.levyinstitute.org/pubs/rpr_2_6.pdf

Corporate Tax Incidence in India

SAMIKSHA AGARWAL and LEKHA S. CHAKRABORTY
Working Paper No. 898, October 2017

Samiksha Agarwal, National Institute of Public Finance and Policy (NIPFP), and Research Associate Lekha S. Chakraborty use data from the Centre for Monitoring the Indian Economy for over 5,000 corporate firms in India for the period 2000–15 to determine which factor of production bears the economic burden of a corporate tax.

Building on a general equilibrium framework developed by Mihir A. Desai, C. Fritz Foley, and James R. Hines, Agarwal and Chakraborty create equations to deduce the relative burdens and efficiency effects of corporate taxation. Previous studies investigating the impact of corporate taxes find that capital bears the burden in a closed economy with fixed levels of capital and labor. However, studies concerning a modern, open economy (such as India) find the burden is shifted to labor, as corporate capital moves from high-tax to low-tax countries, reducing the capital–labor ratio in the high-tax economy, resulting in a lower marginal product of labor and lower wages. Open-economy studies cited by the authors estimate that, after controlling for observable factors, a 1 percent increase in the tax rate will result in a 0.014–0.7 percent reduction in wages, with others finding that in the long run, labor bears anywhere from 45 percent to 100 percent of the burden of a corporate tax.

To assess the impact for India, the authors construct their framework to consider a firm that produces output using capital and labor, where capital (proxied by data on return on equity, return on debt, and gross fixed assets) is financed by a

combination of debt and equity, and wages (proxied by data on compensation to employees) are paid to labor. Adding a variable for the firm's after-corporate-tax rate of return to equity investments, as well as a variable for the corporate tax rate, and normalizing output prices to one, Agarwal and Chakraborty build an equation to differentiate by the corporate tax rate to ascertain the effect of a tax change on after-tax profits. To calculate the relative burdens of the corporate tax, the authors apply an adding-up constraint to the coefficients for capital and labor derived from the equations. By requiring that these two coefficients sum to one, they establish a direct estimate of the relative shares of the corporate tax burden borne by labor and capital.

Given that inputs are determined by the individual firms' choices, to correct for simultaneity in the equations, the authors employ a fixed effects estimator that uses deviations from firm-specific means in the ordinary least squares (OLS) estimation to avoid inconsistent estimates of the input coefficients. Provided unobserved productivity does not vary over time, this will result in consistent coefficients for labor, capital, and materials, overcoming the simultaneity bias that OLS alone cannot correct for. Noting the drawbacks of unrealistic assumptions implied by this approach, Agarwal and Chakraborty cite the Levinsohn-Petrn method, which uses intermediate inputs in place of investment, suggesting this controls for firm-specific differences in productivity that are not captured by the OLS method.

Using the seemingly unrelated regression technique, the authors assess the relative burden of corporate taxes on labor and capital. For their proxies for capital, they find that 99 percent of the burden of the corporate tax falls on capital, implying that higher taxes lead to lower asset formation by firms. Adding a variable for total factor productivity, the burden on capital remains largely the same, though the burden on labor increases. In a third set of regressions controlling for power and raw materials charges, the burden on capital remains near 99 percent while the portion borne by labor falls to 1 percent, implying the burden of a corporate tax in India largely falls on capital.

To estimate the effects of corporate taxes, the authors employ the one-step generalized method of moments to the panel data for both capital and labor. Their regressions indicate that the impact of corporate taxes falls more on capital than labor in the case where gross fixed assets and return on

investment are used to proxy capital; however, when interest paid on debt is used as a proxy, the burden is carried by labor. www.levyinstitute.org/pubs/wp_898.pdf

INSTITUTE NEWS

New Books in the Levy Institute Book Series

Classical Economics Today: Essays in Honor of Alessandro Roncaglia

Edited by Marcella Corsi, Jan Kregel, and Carlo D'Ippoliti
Anthem Press, March 2018

This new collection of 16 essays, written by colleagues of and dedicated to Alessandro Roncaglia, deals with the themes that "have characterized his work or represent expressions of his personality, his interests and method," particularly his contributions to the interpretation of the works of classical political economists as a means for informing present-day policy.

Addressing topics related to Piero Sraffa's work on the classical theory of prices, Geoffrey Harcourt offers a piece on the role of Sraffa prices in post-Keynesian pricing theory; Heinz D. Kurz and Neri Salvadori discuss Roncaglia's "snapshot" interpretation of Sraffa's analyzation of the economy at a single period in time; and Nerio Naldi consults the Sraffa papers at Cambridge to find the roots of Sraffa's "equations."

Contributions addressing Roncaglia's interpretation of classical theories include Marcella Corsi and Carlo D'Ippoliti's essay focusing on John Stuart Mill's writings as "a crucial foundation of modern liberal socialism and the associated economic policy." Peter Groenewegen presents an examination of Turgot's writings on the benefits of the division of labor, and Cosimo Perrotta discusses of the evolution of the theory of underconsumption from the physiocrats through Keynes. Also included under this theme is an essay from Gianni Vaggi regarding the pre-Smithian views of agricultural surplus as the sole form of wealth, as well as a contribution from Alfonso Sánchez Hormigo investigating Adam Smith's influence on economic thought in 18th century Spain.

Essays from Jan Kregel, Mario Tonveronachi, and Michele Salvati reflect on Roncaglia's work on economic policy, integrating classic and modern theories. Kregel considers the internal contradictions of the theoretical foundations of "market fundamentalism," while Tonveronachi discusses the role of government in regulating the financial system, and Salvati reflects on the challenges democracy faces in advanced capitalist countries.

Rounding out the volume, Salvatore Biasco discusses the need for an economic theory based on studies of actual interactions rather than a "bare transposition of ... reality," and Bertram Schefold presents his normal and degenerate solutions to the Walras-Morishima model of capital formation; Davide Antonioli and Paolo Pini explore the effects of expansionary austerity in the eurozone; Sergio Parrinello considers the "oil question" using Roncaglia's "snapshot" metaphor and Sraffa's land equations to analyze an economy with exhaustible natural resources; and Maria Cristina Marcuzzo and Annalisa Rosselli look at Keynes's activity in the tin speculation market during the interwar period to ascertain the processes underlying his investment strategies.

Alessandro Roncaglia has been a professor of economics at Sapienza University of Rome since 1981 and a member of the Accademia Nazionale dei Lincei since 2007. His major works include *The Wealth of Ideas* (CUP, 2005), which traces the evolution of economic thought from prehistory to modern times, and *Piero Sraffa: His Life, Thought and Cultural Heritage* (Macmillan Palgrave, 2009).

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Upcoming Events

27th Annual Hyman P. Minsky Conference **Financial Stability in a World of Rising Rates and the** **Repeal of Dodd-Frank**

Levy Economics Institute of Bard College

Annandale-on-Hudson, N.Y.

April 17–18, 2018

The 27th Annual Hyman P. Minsky Conference will take place at Blithewood, on the Bard College campus, in April.

The conference will address the historic challenges facing the global financial system, including the Trump administration's "America First" policy that seeks fundamental changes in the current rules-based multilateral framework for international trade, debate over Dodd-Frank and other postcrisis financial regulations, and a Federal Reserve that will be experimenting with the deleveraging of its balance sheet in an environment of rising policy interest rates.

Speakers include Lakshman Achuthan, cofounder and COO, Economic Cycle Research Institute; Robert J. Barbera, codirector, Center for Financial Economics, The Johns Hopkins University; Thomas Ferguson, Director of Research, Institute for New Economic Thinking, Professor Emeritus, University of Massachusetts, Boston, and Senior Fellow, Better Markets; Robert N. McCauley, Senior Advisor, Bank for International Settlements; Philip Suttle, Founder and Principal, Suttle Economics LLC; Walker F. Todd, Trustee, American Institute for Economic Research (AIER) and Lecturer in Finance, Middle Tennessee State University; and Todd N. Tucker, Fellow, Roosevelt Institute. Additional information is available on our website, levyinstitute.org.

The Hyman P. Minsky Summer Seminar

Levy Economics Institute of Bard College

Annandale-on-Hudson, N.Y.

June 17–23, 2018

The Levy Institute's ninth annual Hyman P. Minsky Summer Seminar will be held on the Bard College campus in June. The Summer Seminar provides a rigorous discussion of both theoretical and applied aspects of Minsky's economics, and is geared toward recent graduates, graduate students, and those at the beginning of their academic or professional careers. For more information, visit our website. (Registration is now closed.)



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—Alan S. Blinder, former vice chairman of the Federal Reserve Board

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