



Cross-Country Causes and Consequences of the 2008 Crisis
International Linkages and American Exposure

Presenter: Andrew K. Rose (University of California, Berkeley)

Discussant: Robert Kollmann (Université Libre de Bruxelles)

26 November 2009, 12:45 to 2:30pm, at Bruegel

The 2008 global financial crisis is notable for a number of reasons, including most obviously its severity and speed. The international span of the crisis has also been remarkable; essentially all the industrialised countries have been affected, as well as a large number of developing and emerging economies.

Andrew K. Rose, in his recent work with Mark M. Spiegel, models the causes of the 2008 financial crisis together with its manifestations, using a Multiple Indicator Multiple Cause (MIMIC) model. The causes they consider are both national and international financial and real linkages between countries and the epicentre of the crisis. They consider the United States to be the most natural origin of the 2008 crisis, though they also consider six alternative sources of the crisis. Despite the fact that they use a wide number of possible causes in a flexible statistical framework, they are unable to find strong evidence that international linkages can be clearly associated with the incidence of the crisis.

Andrew K. Rose's presentation will be followed by brief remarks from Robert Kollmann, then by an open discussion.

Andrew K. Rose is B.T. Rocca Jr. Professor of International Trade and Economic Analysis and Policy in the Haas School of Business at the University of California, Berkeley, NBER Research Associate and CEPR Research Fellow.

Robert Kollmann is Professor of Economics at European Centre for Advances Research in Economics and Statistics, ECARES, Université Libre de Bruxelles and CEPR Research Fellow.

Participation in the seminar is by personal invitation only and the Chatham House Rule will apply for the discussion. A sandwich lunch will be provided at 12:45 pm before the session starts punctually at 1pm.

Bruegel is located at Rue de la Charité 33, B-1210 Brussels (Metro: Arts-Loi or Madou; see our web site for directions, www.bruegel.org). Please confirm participation by November 23rd to Matt Dann (matt.dann@bruegel.org).

Organising Committee of the Bruegel Seminar on Economic Policy: Marco Buti (European Commission), Zsolt Darvas (Bruegel), Paul De Grauwe (Katholieke Universiteit Leuven), Olivier Lefebvre (Euronext), Wolfgang Münchau (Financial Times), Jean Pisani-Ferry (Bruegel), Lars-Hendrik Röller (Bruegel), André Sapir (Bruegel and Université Libre de Bruxelles), Randall Soderquist (German Marshall Fund of the US) and Hylke Vandenbussche (Université Catholique de Louvain).