The Global Financial System, the Real Rate of Interest and a Long History of Boom-Bust Cycles

Andrew Crockett Memorial Lecture

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Outline

• Historical evidence on global real rates

• Global Financial Cycle and Mundellian Trilemma

• International Monetary System

• Policy discussion and research agenda
Short term real interest rate for the G4: 1920-2011
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Consumption-to-wealth ratio for the G4: 1920-2011
Consumption-to-wealth ratio for the G4: 1920-2011

Hansen

Summers
Consumption-wealth ratio and its components for the G4 : 1920-2011