

# Contents

---

Foreword vii

Acknowledgments xi

Introduction xiii

Contributors xxvii

Abbreviations xxxi

<b>PART I</b>	<b>INTRODUCTION AND DESCRIPTION OF FINANCIAL CRISES .....</b>	<b>1</b>
1	Financial Crises: Explanations, Types, and Implications .....	3
	<i>Stijn Claessens and M. Ayhan Kose</i>	
2	Systemic Banking Crises .....	61
	<i>Luc Laeven and Fabián Valencia</i>	
<b>PART II</b>	<b>LESSONS IN CRISIS PREVENTION AND MANAGEMENT .....</b>	<b>139</b>
3	Financial and Sovereign Debt Crises: Some Lessons Learned and Those Forgotten .....	141
	<i>Carmen M. Reinhart and Kenneth S. Rogoff</i>	
4	Procyclicality and the Search for Early Warning Indicators .....	157
	<i>Hyun Song Shin</i>	
5	Resilience in Latin America: Lessons from Macroeconomic Management and Financial Policies.....	173
	<i>José De Gregorio</i>	
6	External Imbalances and Financial Crises.....	193
	<i>Alan M. Taylor</i>	
<b>PART III</b>	<b>SHORT-TERM EFFECTS: CRISES, RECESSIONS, AND RECOVERIES.....</b>	<b>207</b>
7	The Global Financial Crisis: How Similar? How Different? How Costly?.....	209
	<i>Stijn Claessens, M. Ayhan Kose, and Marco E. Terrones</i>	

8	From Recessions to Recoveries: How Soon and How Strong? ..... <i>Prakash Kannan, Alasdair Scott, and Marco E. Terrones</i>	239
<b>PART IV MEDIUM-TERM EFFECTS: ECONOMIC GROWTH.....</b>		<b>275</b>
9	What's the Damage? Medium-Term Output Dynamics after Financial Crises..... <i>Abdul Abiad, Ravi Balakrishnan, Petya Koeva Brooks, Daniel Leigh, and Irina Tytell</i>	277
10	What Have We Learned about Creditless Recoveries?..... <i>Abdul Abiad, Giovanni Dell'Ariccia, and Bin Li</i>	309
<b>PART V POLICY MEASURES TO PREVENT BOOMS, MITIGATE BUSTS, AND AVOID FINANCIAL CRISES .....</b>		<b>323</b>
11	Policies for Macro-Financial Stability: Dealing with Credit Booms and Busts..... <i>Giovanni Dell'Ariccia, Deniz Igan, Luc Laeven, and Hui Tong</i>	325
12	Policies for Macro-Financial Stability: Managing Real Estate Booms and Busts..... <i>Christopher Crowe, Giovanni Dell'Ariccia, Deniz Igan, and Pau Rabanal</i>	365
13	Resolution of Banking Crises: The Good, the Bad, and the Ugly..... <i>Luc Laeven and Fabián Valencia</i>	397
14	How Effective Is Fiscal Policy Response in Financial Crises?..... <i>Emanuele Baldacci, Sanjeev Gupta, and Carlos Mulas-Granados</i>	431
<b>PART VI POLICY MEASURES TO MITIGATE THE IMPACT OF FINANCIAL CRISES; AND THE RESTRUCTURING OF BANKS AND OF HOUSEHOLD AND SOVEREIGN DEBT .....</b>		<b>459</b>
15	Crisis Management and Resolution: Early Lessons from the 2007–09 Financial Crisis ..... <i>Stijn Claessens, Ceyla Pazarbasioglu, Luc Laeven, Marc Dobler, Fabián Valencia, Oana Nedelescu, and Katharine Seal</i>	461
16	The Economics of Bank Restructuring: Understanding the Options..... <i>Augustin Landier and Kenichi Ueda</i>	489
17	Principles of Household Debt Restructuring ..... <i>Luc Laeven and Thomas Laryea</i>	527

18	Dealing with Household Debt.....	547
	<i>Deniz Igaz, Daniel Leigh, John Simon, and Petia Topalova</i>	
19	Restructuring Sovereign Debt: Lessons from Recent History.....	593
	<i>Udaibir S. Das, Michael G. Papaioannou, and Christoph Trebesch</i>	
	Index .....	621