

The Global Financial Crisis: Moderator Remarks

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March 18, 2009

Welcome to this panel on the Global Financial Crisis, sponsored by the American Council on Education and the Coalition for International Education, and generously funded by the Carnegie Corporation of New York.

The world has changed considerably since Title VI came into being 50 years ago. Back then, the United States accounted for 25 percent of world GDP, was a net creditor to the rest of the world and enjoyed a strong position in trade and investment. American multinationals reigned supreme across most manufacturing and service industries.

Nowadays the U.S. economy represents a shrinking 18 percent of world GDP. Japanese, European, Taiwanese, South Korean, Brazilian, Mexican, Chinese, and even Argentinean multinationals have surpassed American multinationals in key industries. While the U.S. continues to be the most innovative economy in the world, its uncontested dominance is long past.

The current economic and financial crisis has brought to the fore some structural faults in the global system. The U.S. is facing the most significant economic downturn in half a century, and perhaps bracing for a major structural adjustment both domestically in terms of the distribution of employment by industry, and internationally in terms of its economic and financial relationship to Europe, Latin America, China, India, and Russia.

To help us understand the current situation and the likely evolution of the crisis, we have assembled a panel of three distinguished scholars, **Charles Calomiris of Columbia, Nicholas Lardy of the Peterson Institute, and Stephen Hanson of the University of Washington**. They will offer their own analysis of the crisis, focusing on the problems besetting the financial sector, the evolving relationship between China and the U.S., and the changing role of Russia in the global political economy.

First, we will hear from **Charles Calomiris**.

He is one of the world's foremost authorities on banking and financial history and regulation.

He holds the Henry Kaufman Professorship of Financial Institutions at Columbia Business School.

He also is a research associate at the NBER and directs the project on financial regulation at the American Enterprise Institute.

He has served as a consultant to several Federal Reserve banks, multilateral agencies, and several securities commissions and central banks around the world.

He was a Congressional appointee to the International Financial Institution Advisory Commission in 1999-2000.

He has published a number of important scholarly articles on corporate finance, financial panics, banking crises, exchange rates, and programs to help minorities and the poor afford housing, topics that—one way or another—are elements of the current crisis.

Nicholas Lardy is a senior fellow at the Peterson Institute for International Economics.

He was previously affiliated with the Brookings Institution, the University of Washington and Yale University.

His area of expertise is the Asian political economy, especially China. He is the author of a long list of books and articles. His most recent book, *China's Rise: Challenges and Opportunities* was published in 2008. I am sure you have read his commentary and op-eds in the media.

Today, you have the opportunity to listen to his analysis of the changing role of Russia in the global economy and the consequences for the United States.

Stephen Hanson is the Vice Provost of Global Affairs and Herbert J. Ellison Professor in the Department of Political Science at the University of Washington.

He is one of our foremost experts on Russia.

He has published numerous books and articles on the Soviet and post-communist political economies, always from a cross-national comparative perspective.

His latest book, *Ideology, Uncertainty, and Democracy*, compares party formation in the French Third Republic, the Weimar Republic, and Post-Communist Russia.

In sum, it is a real treat to listen to Professor Hanson explain to us that enigma called Russia.