The current approach to resolving sovereign debt crises does not work: sovereign debt restructurings come too late and address too little. Though unresolved debt crises impose enormous costs on societies, many recent restructurings have not been deep enough to provide the conditions for economic recovery (as illustrated by the Greek debt restructuring of 2012). And if the debtor decides not to accept the terms demanded by the creditors, finalizing a restructuring can be slowed by legal challenges (as illustrated by the recent case of Argentina, deemed as “the trial of the century”). A fresh start for distressed debtors is a basic principle of a well-functioning market economy, yet there is no international bankruptcy framework for sovereign debts. While this problem is not new, the United Nations and the global community are now willing to do something about it. Providing guidance for those who intend to take up reform, this book assesses the relative merits of various debt-restructuring proposals, especially in relation to the main deficiencies of the current nonsystem. With contributions by leading academics and practitioners, Too Little, Too Late reflects the overwhelming consensus among specialists on the need to find workable solutions.

Moral hazard—the tendency to change behavior when the cost of that behavior will be borne by others—is a particularly tricky question when considering health care. Kenneth J. Arrow's seminal 1963 paper on
this topic (included in this volume) was one of the first to explore the implication of moral hazard for health care, and this book examines this issue in the context of contemporary American health care policy. Drawing on research from both the original RAND Health Insurance Experiment and personal research, including a 2008 Health Insurance Experiment in Oregon, the book presents compelling evidence that health insurance does indeed affect medical spending and encourages policy solutions that acknowledge and account for this.

**Sovereign Wealth Funds and Long-Term Investing**

Joseph Stiglitz, Patrick Bolton, and Frederic Samama (eds)

Sovereign Wealth Funds (SWFs) are state-owned investment funds with combined asset holdings that are fast approaching four trillion dollars. Recently emerging as a major force in global financial markets, SWFs have other distinctive features besides their state-owned status: they are mainly located in developing countries and are intimately tied to energy and commodities exports, and they carry virtually no liabilities and have little redemption risk, which allows them to take a longer-term investment outlook than most other institutional investors. This book examines the specificities of SWFs in greater detail and discusses the implications of their growing presence for the world economy. Based on material delivered in 2011 at a major conference on SWFs held at Columbia University, the book discusses the objectives and performance of SWFs, as well as their benchmarks and governance. What are the opportunities for SWFs as long-term investments? How do they fulfill their socially responsible mission? And what role can SWFs play in fostering sustainable development and greater global financial stability? These are some of the crucial questions addressed in this volume.

**Industrial Policy and Economic Transformation in Africa**

Joseph Stiglitz and Akbar Noman (eds)

The revival of economic growth in Sub-Saharan Africa is all the more welcome for having followed one of the worst economic disasters—a quarter century of economic malaise for most of the region—since the industrial revolution. Six of the world’s fastest-growing economies in
the first decade of this century were African. Yet only in Ethiopia and Rwanda was growth not based on resources and the rising price of oil. Deindustrialization has yet to be reversed, and progress toward creating a modern economy remains limited. This book explores the vital role that active government policies can play in transforming African economies. Such policies pertain not just to industry. They traverse all economic sectors, including finance, information technology, and agriculture. These packages of learning, industrial, and technology (LIT) policies aim to bring vigorous and lasting growth to the region. This collection features case studies of LIT policies in action in many parts of the world, examining their risks and rewards and what they mean for Sub-Saharan Africa.

The Quest for Security
Joseph Stiglitz and Mary Kaldor (eds)

This book confronts the quest for security arising from the social, economic, environmental, and political crises and transformations of our century. It begins with an expansive, balanced analysis of the global landscape and the factors contributing to the growth of insecurity. Whereas earlier studies have touched on how globalization has increased economic insecurity and how geopolitical changes may have contributed to military insecurity, this volume looks for some common threads: in a globalized world without a global government, with a system of global governance not up to the task, how do we achieve security without looking inward and stepping back from globalization? Chapters seek answers to questions about how we achieve protection of those people who are most insecure without resorting to economic, military, or mafia protectionism. Some have suggested that the turmoil in the Eurozone “proves” the deficiencies in the welfare state. This book argues that the superior performance of Scandinavian countries arises from their superior systems of social protection, which allow their citizens to undertake greater risk and more actively participate in globalization. Some suggest that we can address terrorism or transnational crimes through the strengthening of borders or long-distance wars. This book develops the proposition that such approaches have the opposite effect and that only through spreading the human security experienced in well-ordered societies can these dangers be managed. This book also examines how these global changes play out, not only in the relations among countries and the management of globalization, but at every level of our society, especially in our cities. It explores the potential for cities
to ensure personal security, promote political participation, and protect the environment in the face of increasing urbanization.

Creating a Learning Society
Joseph Stiglitz and Bruce Greenwald

This book assesses how learning helps countries grow, develop, and become more productive. It looks at what government can do to promote learning and casts light on the significance of learning for economic theory and policy. It explains that the thing that truly separates developed from less-developed countries is not just a gap in resources or output but a gap in knowledge. It shows that the pace at which developing countries grow is largely a function of the pace at which they close this knowledge gap. The book takes as its starting point Kenneth J. Arrow’s 1962 paper “Learning by Doing,” and explains why the production of knowledge differs from that of other goods and why market economies alone typically do not produce and transmit knowledge efficiently. It shows that closing knowledge gaps and helping laggards learn are central steps to growth and development. It also argues that creating a learning society is crucial if we are to sustain improved living standards in advanced countries. It provides new models of “endogenous growth” and shows how well-designed government trade and industrial policies can help create a learning society, while poorly designed intellectual property regimes can retard learning. It also explains how virtually every government policy has effects, both positive and negative, on learning. It argues that free trade may lead to stagnation whereas broad-based industrial protection and exchange rate interventions may bring benefits—not just to the industrial sector, but to the entire economy.

The Economists' Voice
Joseph Stiglitz, Aaron Edlin, and J. Bradford DeLong (eds)

This book offers innovative policy ideas and insightful commentary on the United States’ pressing economic issues, such as global warming, the global economy, government spending, Social Security, tax reform, real estate, and political and social policy, including an extensive look
at the economics of capital punishment, welfare reform, and the recent presidential elections. The book takes a hard look at the high cost of the Iraq War, and provides insight and advice on global warming. It demystifies Social Security and presents divergent views on the coming dollar crisis. The book reconsiders the impact of U.S. offshoring. It distinguishes what is “sense” and what is “nonsense” in discussions of federal deficits and debt, and points out the consequences of the deindustrialization of America. It further questions whether welfare reform was successful and explores the economic consequences of global warming and the rebuilding of New Orleans. The book describes how a simple switch in auto insurance policy could benefit the environment, and it unravels the dangers of an unchecked housing bubble and investigates the mishandling of the lending institutions Freddie Mac and Fannie Mae. Balancing empirical data with economic theory, the book proves that the unique perspective of the economist is a vital one for understanding today's world.

The Economists' Voice 2.0
Joseph Stiglitz and Aaron Edlin (eds)

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The Economists’ Voice: Top Economists Take On Today’s Problems featured a core collection of accessible, timely essays on the challenges facing today’s global markets and financial institutions. This book is the next installment in this series, gathering together the strongest essays published in The Economist’s Voice, a nonpartisan online journal, so that students and general readers can gain a deeper understanding of the financial developments shaping their world. The chapters tackle the plain economics and architecture of health care reform, its implications for society and the future of the health insurance industry, and the value of the health insurance subsidies and exchanges built into the law. The book considers the effects of financial regulatory reform, the possibilities for ratings reform, and the issue of limiting bankers’ pay. An objective examination of the financial crisis and bank bailouts results in two chapters on investment banking regulation after Bear Stearns and the positives and negatives of the Paulson/Bernanke bailout. The chapters weigh the merits of future rescues and suggest alternative strategies for addressing the next financial crisis. A final section examines a unique array of topics: the stability of pension security bonds; the value of a carbon tax, especially in fostering economic and environmental sustainability; the counterintuitive perils of net neutrality; the unforeseen consequences of government debt; the meaning of the Google book
search settlement; and the unexploited possibilities for profit in NFL overtime games.