

Joseph E Stiglitz Nber

The Economics of Artificial IntelligenceAn AgendaUniversity of Chicago Press

In this volume, specialists from traditionally separate areas in economics and finance investigate issues at the conjunction of their fields. They argue that financial decisions of the firm can affect real economic activity—and this is true for enough firms and consumers to have significant aggregate economic effects. They demonstrate that important differences—asymmetries—in access to information between "borrowers" and "lenders" ("insiders" and "outsiders") in financial transactions affect investment decisions of firms and the organization of financial markets. The original research emphasizes the role of information problems in explaining empirically important links between internal finance and investment, as well as their role in accounting for observed variations in mechanisms for corporate control.

"A superb new understanding of the dynamic economy as a learning society, one that goes well beyond the usual treatment of education, training, and R&D." —Robert Kuttner, author of The Stakes: 2020 and the Survival of American Democracy Since its publication Creating a Learning Society has served as an effective tool for those who advocate government policies to advance science and technology. It shows persuasively how enormous increases in our standard of living have been the result of learning how to learn, and it explains how advanced and developing countries alike can model a new learning economy on this example. Creating a Learning Society: Reader ’s Edition uses accessible language to focus on the work ’s central message and policy prescriptions. As the book makes clear, creating a learning society requires good governmental policy in trade, industry, intellectual property, and other important areas. The text ’s central thesis—that every policy affects learning—is critical for governments unaware of the innovative ways they can propel their economies forward. " Profound and dazzling. In their new book, Joseph E. Stiglitz and Bruce C. Greenwald study the human wish to learn and our ability to learn and so uncover the processes that relate the institutions we devise and the accompanying processes that drive the production, dissemination, and use of knowledge. . . This is social science at its best. " —Partha Dasgupta, University of Cambridge " An impressive tour de force, from the theory of the firm all the way to long-term development, guided by the focus on knowledge and learning. . . This is an ambitious book with far-reaching policy implications. " —Giovanni Dosi, director, Institute of Economics, Scuola Superiore Sant’ Anna " [A] sweeping work of macroeconomic theory. " —Harvard Business Review

This volume is the result of the 2012 International Economic Association’s series of roundtables on the theme of Industrial Policy. The first, ‘New Thinking on Industrial Policy,’ was hosted by the World Bank in Washington, D.C. and the second, ‘New Thinking on Industrial Policy: Implications for Africa,’ was held in Pretoria, South Africa.

Joan Robinson and Modern Economic Theory

The State of Economics, the State of the World

Effects of Financial Globalization on Developing Countries

The Tiebout Model After Twenty-Five Years

Capital Market Liberalization and Development

Foundations of Intellectual Property

A Nobel prize winner challenges us to throw off the free market fundamentalists and reclaim our economy. We all have the sense that the American economy—and its government—tilts toward big business, but as Joseph E. Stiglitz explains in his new book, *People, Power, and Profits*, the situation is dire. A few corporations have come to dominate entire sectors of the economy, contributing to skyrocketing inequality and slow growth. This is how the financial industry has managed to write its own regulations, tech companies have accumulated reams of personal data with little oversight, and our government has negotiated trade deals that fail to represent the best interests of workers. Too many have made their wealth through exploitation of others rather than through wealth creation. If something isn’t done, new technologies may make matters worse, increasing inequality and unemployment. Stiglitz identifies the true sources of wealth and of increases in standards of living, based on learning, advances in science and technology, and the rule of law. He shows that the assault on the judiciary, universities, and the media undermines the very institutions that have long been the foundation of America’s economic might and its democracy. Helpless though we may feel today, we are far from powerless. In fact, the economic solutions are often quite clear. We need to exploit the benefits of markets while taming their excesses, making sure that markets work for us—the U.S. citizens—and not the other way around. If enough citizens rally behind the agenda for change outlined in this book, it may not be too late to create a progressive capitalism that will recreate a shared prosperity. Stiglitz shows how a middle-class life can once again be attainable by all.

An authoritative account of the predictable dangers of free market fundamentalism and the foundations of progressive capitalism, *People, Power, and Profits* shows us an America in crisis, but also lights a path through this challenging time.

This study explores the prospect of the application of the basic principles of ICL into many other potential areas of social and economic policy. Using case studies it evaluates previously implemented ICL schemes where interest rate subsidies are usually the norm, and questions the merits of this approach.

"A damning denunciation of things as they are, and a platform for how we can do better."—Andrew Leonard, Salon Building on the international bestseller *Globalization and Its Discontents*, Joseph E. Stiglitz offers here an agenda of inventive solutions to our most pressing economic, social, and environmental challenges, with each proposal guided by the fundamental insight that economic globalization continues to outpace both the political structures and the moral sensitivity required to ensure a just and sustainable world. As economic interdependence continues to gather the peoples of the world into a single community, it brings with it the need to think and act globally. This trenchant, intellectually powerful, and inspiring book is an invaluable step in that process.

This study provides a candid, systematic, and critical review of recent evidence on this complex subject. Based on a review of the literature and some new empirical evidence, it finds that (1) in spite of an apparently strong theoretical presumption, it is difficult to detect a strong and robust causal relationship between financial integration and economic growth; (2) contrary to theoretical predictions, financial integration appears to be associated with increases in consumption volatility (both in absolute terms and relative to income volatility) in many developing countries; and (3) there appear to be threshold effects in both of these relationships, which may be related to absorptive capacity. Some recent evidence suggests that sound macroeconomic frameworks and, in particular, good governance are both quantitatively and qualitatively important in affecting developing countries’ experiences with financial globalization.

Beyond GDP

Economic Policy and Technological Performance

Rethinking Development Strategies

Reforming the International Monetary and Financial Systems in the Wake of the Global Crisis

The Economics of Artificial Intelligence

Local Provision of Public Services

It was a part of the wisdom of mainstream economics that in the early stages of development inequality would rise but as growth persisted, it would, eventually, decline. Early evidence seemed to suggest that this pattern would be borne out. But, as time passed and growth persisted, inequality continued to grow, casting doubt on the received wisdom. The aim of this two-volume book is to analyze the current state of global and regional inequality, dissect the phenomenal increase in inequality that we have seen occur in recent times, and better understand the complex relationship between inequality and development. The political instability and conflict that we see around the world, arguably, has connection to economic deprivation of large segments of society and the perception of marginalization. This two-volume work acquires a special significance in the light of these developments.

This volume explores the measurement of economic and social progress in our societies, and proposes new frameworks to integrate economic dimensions with other aspects of human well-being. Leading economists analyse the light that the recent crisis has shed on the global economic architecture, and the policies needed to address these systemic risks.

Advances in artificial intelligence (AI) highlight the potential of this technology to affect productivity, growth, inequality, market power, innovation, and employment. This volume seeks to set the agenda for economic research on the impact of AI. It covers four broad themes: AI as a general purpose technology; the relationships between AI, growth, jobs, and inequality; regulatory responses to changes brought on by AI; and the effects of AI on the way economic research is conducted. It explores the economic influence of machine learning, the branch of computational statistics that has driven much of the recent excitement around AI, as well as the economic impact of robotics and automation and the potential economic consequences of a still-hypothetical artificial general intelligence. The volume provides frameworks for understanding the economic impact of AI and identifies a number of open research questions. Contributors: Daron Acemoglu, Massachusetts Institute of Technology Philippe Aghion, Coll è ge de France Ajay Agrawal, University of Toronto Susan Athey, Stanford University James Besen, Boston University School of Law Erik Brynjolfsson, MIT Sloan School of Management Colin F. Camerer, California Institute of Technology Judith Chevalier, Yale School of Management Iain M. Cockburn, Boston University Tyler Cowen, George Mason University Jason Furman, Harvard Kennedy School Patrick Francois, University of British Columbia Alberto Galasso, University of Toronto Joshua Gans, University of Toronto Avi Goldfarb, University of Toronto Austan Goolsbee, University of Chicago Booth School of Business Rebecca Henderson, Harvard Business School Ginger Zhe Jin, University of Maryland Benjamin F. Jones, Northwestern University Charles I. Jones, Stanford University Daniel Kahneman, Princeton University Anton Korinek, Johns Hopkins University Mara Lederman, University of Toronto Hong Luo, Harvard Business School John McHale, National University of Ireland Paul R. Milgrom, Stanford University Matthew Mitchell, University of Toronto Alexander Oettl, Georgia Institute of Technology Andrea Prat, Columbia Business School Manav Raj, New York University Pascal Restrepo, Boston University Daniel Rock, MIT Sloan School of Management Jeffrey D. Sachs, Columbia University Robert Seamans, New York University Scott Stern, MIT Sloan School of Management Betsy Stevenson, University of Michigan Joseph E. Stiglitz, Columbia University Chad Syverson, University of Chicago Booth School of Business Matt Taddy, University of Chicago Booth School of Business Steven Tadelis, University of California, Berkeley Manuel Trajtenberg, Tel Aviv University Daniel Treffer, University of Toronto Catherine Tucker, MIT Sloan School of Management Hal Varian, University of California, Berkeley This volume brings together many of the leading international figures in development studies, such as Jose Antonio Ocampo, Paul Krugman, Dani Rodrik, Joseph Stiglitz, Daniel Cohen, Olivier Blanchard, Deepak Nayyar and John Williamson to reconsider and propose alternative development policies to the Washington Consensus. Covering a wide range of issues from macro-stabilization to trade and the future of global governance, this important volume makes a real contribution to this important and ongoing debate. The volume begins by introducing the Washington Consensus, discussing how it was originally formulated, what it left out, and how it was later interpreted, and sets the stage for a formulation of a new development framework in the post-Washington Consensus era. It then goes on to analyze and offer differing perspectives and potential solutions to a number of key development issues, some which were addressed by the Washington Consensus and others which were not. The volume concludes by looking toward formulating new policy frameworks and offers possible reforms to the current system of global governance.

Income Contingent Loans

Portfolio Selection and Asset Pricing

A New Approach to Growth, Development, and Social Progress

Creating a Learning Society

The Stiglitz Report

New Developments in the Analysis of Market Structure

As an experiment in reconnecting academia to the broader democracy, this work is designed to invigorate public policy debate by rededicating academic work to the pursuit of solutions to society’s great problems.

Traditionally, economic growth and business cycles have been treated independently. However, the dependence of GDP levels on its history of shocks, what economists refer to as “hysteresis,” argues for unifying the analysis of growth and cycles. In this paper, we review the recent empirical and theoretical literature that motivate this paradigm shift. The renewed interest in hysteresis has been sparked by the persistence of the Global Financial Crisis and fears of a slow recovery conceptual and policy implications. In recessions, monetary and fiscal policies need to be more active to avoid the permanent scars of a downturn. And in good times, running a high-pressure economy could have permanent positive effects.

Metrics matter for policy and policy matters for well-being. In this report, the co-chairs of the OECD-hosted High Level Expert Group on the Measurement of Economic Performance and Social Progress, Joseph E. Stiglitz, Jean-Paul Fitoussi and Martine Durand, show how over-reliance on GDP as the yardstick of economic performance misled policy makers who did not see the 2008 crisis coming. When the crisis did hit, concentrating on the wrong indicators meant that government many people. While GDP is the most well-known, and most powerful economic indicator, it can’t tell us everything we need to know about the health of countries and societies. In fact, it can’t even tell us everything we need to know about economic performance. We need to develop dashboards of indicators that reveal who is benefitting from growth, whether that growth is environmentally sustainable, how people feel about their lives, what factors contribute to an individual’s collecting well-being data, and in using them to inform policies. An accompanying volume, For Good Measure: Advancing Research on Well-being Metrics Beyond GDP, presents the latest findings from leading economists and statisticians on selected issues within the broader agenda on defining and measuring well-being.

This and its companion volume, “The Economics of Imperfect Competition and Employment”, are about Joan Robinson, her impact on modern economics, her challenges and critiques and the advances made in the science and art of economics.

A Critical Look at Thirty Years of the World Development Report

Towards a New Global Governance

Some Further Remarks on Cost-benefit Analysis

Informational imperfections in the capital market an macroeconomic fluctuations

The Role of Government Beyond Ideology

Hysteresis and Business Cycles

In our daily life, almost every family owns a portfolio of assets. This portfolio could contain real assets such as a car, or a house, as well as financial assets such as stocks, bonds or futures. Portfolio theory deals with how to form a satisfied portfolio among an enormous number of assets. Originally proposed by H. Markowitz in 1952, the mean-variance methodology for portfolio optimization has been central to the research activities in this area and has served as a basis for the development of modern financial theory during the past four decades. Follow-on work with this approach has born much fruit for this field of study.

Among all those research fruits, the most important is the capital asset pricing model (CAPM) proposed by Sharpe in 1964. This model greatly simplifies the input for portfolio selection and makes the mean-variance methodology into a practical application. Consequently, lots of models were proposed to price the capital assets. In this book, some of the most important progresses in portfolio theory are surveyed and a few new models for portfolio selection are presented. Models for asset pricing are illustrated and the empirical tests of CAPM for China’s stock markets are made. The first chapter surveys ideas and principles of modeling the investment decision process of economic agents. It starts with the Markowitz criteria of formulating return and risk as mean and variance and then looks into other related criteria which are based on probability assumptions on future prices of securities.

Local Provision of Public Services: The Tiebout Model After Twenty-Five Years describes several theoretical and empirical branches of economic research related to Charles Tiebout’s provocative hypothesis that consumer mobility and interjurisdictional competition result in an efficient allocation of resources to the local public sector. The book provides insights on the issues being considered in policy debates regarding the appropriate means of providing essential public services. Chapters in the book include an overview of the Tiebout model; income redistribution in a federal system; empirical relationships in the political economy of local public finance; and two conflicting views of the incidence of the property tax. Economists, local government leaders, and experts in public finance will find the book very insightful.

This volume examines the history of developmental policy in Sub-Saharan Africa and considers how different policy options might generate sustained economic growth and reduce poverty. It documents and interprets policy lessons and considers how to translate them to particular country contexts.

This volume is both a tribute to and study of the French economist Jean-Paul Fitoussi. Fitoussi’s pluralistic scholarship has shaped modern macroeconomics, political economy, economics of inequality and, more recently, the economics of sustainability.

Volume I: Concepts and Analysis

The Welfare Economics of Moral Hazard

Macroeconomics, Liberalization and Development

New Perspectives on Regulation

The Euro

How a Common Currency Threatens the Future of Europe

Capital market liberalization has been a key part of the ongoing debate on globalization. Bringing together leading researchers and practitioners in the field, this book provides a unique analysis of both the risks associated with capital market liberalization and the alternative policy options available to enhance macroeconomic management.

A companion to his acclaimed work in *Rewriting the Rules of the American Economy*, Joseph E. Stiglitz, along with Carter Dougherty and the Foundation for European Progressive Studies, lays out the economic framework for a Europe with faster growth that is more equitably shared. Europe is in crisis. Sluggish economic growth in many countries, widespread income stagnation, and recession have led to severe political and social consequences. Social protections for citizens have been cut back. Governments offer timid responses to deep-seated problems. These economic and political failures have contributed to the rise of extremist parties on the right. Marginalized populations are being made scapegoats for Europe’s woes. But the problems of today’s Europe stem from decisions based on a blind worship of markets in too many areas of policy. If Europe is to return to an innovative and dynamic economy—and if there is to be shared prosperity, social solidarity, and justice—then EU countries need to break with their current, destructive trajectory. This volume offers concrete strategies for renewal that would also reinvigorate the project of European integration, with fresh ideas in the areas of both macroeconomics and microeconomics, including central banking, public investment, corporate governance and competition policy, social policy, and international trade.

These contributions discuss a number of important developments over the past decade in a newly established and important field of economics that have led to notable changes in views on governmental competition policies. They focus on the nature and role of competition and other determinants of market structures, such as numbers of firms and barriers to entry; other factors which determine the effective degree of competition in the market; the influence of major firms (especially when these pursue objectives other than profit maximization); and decentralization and coordination under control relationships other than markets and hierarchies. The contributors are Joseph E. Stiglitz, G. C. Archibald, B. C. Eaton, R. G. Lipsey, David Enaoua, Paul Geroski, Alexis Jacquemin, Richard J. Gilbert, Reinhard Selten, Oliver E. Williamson, Jerry R. Green, G. Frank Mathewson, R. A. Winter, C. d’Aspremont, J. Jaskold Gabszewicz, Steven Salop, Branko Horvat, Z. Roman, W. J. Baumol, J. C. Panzar, R. D. Willig, Richard Schmalensee, Richard Nelson, Michaela Science, and Partha Dasgupta. Joseph E. Stiglitz is Professor of Economics at Princeton University. G. Frank Mathewson is Professor of Economics at the University of Toronto.

There is growing dissatisfaction with the economic policies advocated by the IMF and other international financial institutions - policies that have often resulted in stagnating growth, crises, and recessions for client countries. This book presents an alternative to “Washington Consensus” neo-liberal economic policies by showing that both macro-economic and liberalization policy must be sensitive to the particular circumstances of developing countries. One-size-fits-all policy prescriptions are likely to fail given the vast differences between countries. This book discusses how alternative approaches to economic policy can better serve developing countries both in ordinary times and in times of crisis.

The Washington Consensus Reconsidered

Rewriting the Rules of the American Economy: An Agenda for Growth and Shared Prosperity

Measuring What Counts for Economic and Social Performance

Development Economics through the Decades

The Industrial Policy Revolution I

The welfare state has been under attack for decades, but now more than ever there is a need for strong social protection systems—the best tools we have to combat inequality, support social justice, and even improve economic performance. In this book, José Antonio Ocampo and Joseph E. Stiglitz bring together distinguished contributors to examine the global variations of social programs and make the case for a redesigned twenty-first-century welfare state. The Welfare State Revisited takes on major debates about social well-being, considering the merits of universal versus targeted policies; responses to market failures; integrating welfare and economic development; and how welfare states around the world have changed since the neoliberal turn. Contributors offer prescriptions for how to respond to the demands generated by demographic changes, the changing role of the family, new features of labor markets, the challenges of aging societies, and technological change. They consider how strengthening or weakening social protection programs affects inequality, suggesting ways to facilitate the spread of effective welfare states throughout the world, especially in developing countries. Presenting new insights into the functions the welfare state can fulfill and how to design a more efficient and more equitable system, *The Welfare State Revisited* is essential reading on the most discussed issues in social welfare today.

Joseph Stiglitz explains the theory behind the economic downturns that have plagued our world in recent times. This fascinating three-part lecture acknowledges the failure of economic models to successfully predict the 2008 crisis and explores alternative models which, if adopted, could potentially restore a stable and prosperous economy.

It’s time to rewrite the rules-to curb the runaway flow of wealth to the top one percent, to restore security and opportunity for the middle class, and to foster stronger growth rooted in broadly shared prosperity. Inequality is a choice. The United States bills itself as the land of opportunity, a place where anyone can achieve success and a better life through hard work and determination. But the facts tell a different story—the U.S. today lags behind most other developed nations in measures of inequality and economic mobility. For decades, wages have stagnated for the majority of workers while economic gains have disproportionately gone to the top one percent. Education, housing, and health care—essential ingredients for individual success—are growing ever more expensive. Deeply rooted structural discrimination continues to hold down women and people of color, and more than one-fifth of all American children now live in poverty. These trends are on track to become even worse in the future. Some economists claim that today’s bleak conditions are inevitable consequences of market outcomes, globalization, and technological progress. If we want greater equality, they argue, we have to sacrifice growth. This is simply not true. American inequality is the result of misguided structural rules that actually constrict economic growth. We have stripped away worker protections and family support systems, created a tax system that rewards short-term gains over long-term investment, offered a de facto public safety net to too-big-to-fail financial institutions, and chosen monetary and fiscal policies that promote wealth over full employment.

The social impact of inequality is now increasingly understood - higher crime, health problems and mental illness, lower educational achievements and life expectancy. But what are the causes of inequality, why is it growing so rapidly and what are its economic and political impacts? In this exceptional book Joseph Stiglitz gives the answers. He shows how, left to their own devices, markets are neither efficient nor stable and tend to accumulate money in the hands of the few rather than engender competition, producing slower growth and lower GDP. He also demonstrates how political institutions, far from countering these trends, often enhance them. Arguing that 'another world is possible', *The Price of Inequality* provides a powerful, vital critique of free-market ideas. 'Superb and original . . . Stiglitz is a rare combination of virtuous economist, witty polemicist and public intellectual.' Robert Kuttner, *New Statesman* 'Important and smart . . . a searing read' Nicholas Kristof, *The New York Times* 'The often inchoate anger seen in Occupy Wall Street is given shape, fluency, substance and authority by Stiglitz. . . he methodically and lyrically (almost joyously) exposes the myths that provide justification for 'deficit fetishism'' Yvonne Roberts, *Observer* 'Trenchant, engaging . . . Stiglitz writes clearly and provocatively!' Dante Chinni, *Washington Post* 'A towering genius of economics' *Independent*

Stability with Growth

Asymmetric Information, Corporate Finance, and Investment

Lessons from 'The Crisis and Beyond

Papers in honor of and by Jean-Paul Fitoussi

Contemporary Issues in Macroeconomics

The Rate of Discount for Benefit-cost Analysis and the Theory of the Second Best

The fact that the global economy is broken may be widely accepted, but what precisely needs to be fixed has become the subject of enormous controversy. In 2008, the President of the United Nations General Assembly convened an international panel, chaired by Nobel Prize-winning economist Joseph Stiglitz and including 20 leading experts on the international monetary system, to address this crucial issue. This report controversially establishes a bold agenda for policy change, both broad in scope and profound in its ambitions.

Leading economists address the ongoing challenges to economics in theory and practice in a time of political and economic crises. More than a decade of financial crises, sovereign debt problems, political conflict, and rising xenophobia and protectionism has left the global economy unsettled and the ability of economics as a discipline to account for episodes of volatility uncertain. In this book, leading economists consider the state of their discipline in a world of ongoing economic and political crises. The book begins with three sweeping essays by Nobel laureates Kenneth Arrow (in one of his last published works), Amartya Sen, and Joseph Stiglitz that offer a summary of the theoretical foundations of modern economics—the twin pillars of general equilibrium theory and welfare economics. Contributors then turn to macroeconomic stabilization and growth and, finally, new areas of research that depart from traditional theory, methodology, and concerns: climate change, behavioral economics, and evolutionary game theory. The 2019 Nobel Prize laureates, Abhijit Banerjee, Esther Duflo, and Michael Kremer, contribute a paper on the use of randomized control trials in development economics. Contributors Philippe Aghion, Ingela Alger, Kenneth Arrow, Abhijit Basu, Lawrence Blume, Guillermo Calvo, Francesco Caselli, Asil Demirgüç-Kunt, Shantayanan Devarajan, Esther Duflo, Samuel Fankhauser, James Foster, Varun Gauri, Xavier Gine, Gáel Giraud, Gita Gopinath, Robert Hockett, Karla Hoff, Ravi Kanbur, Aart Kraay, Michael Kremer, David McKenzie, Célestin Monga, Maurice Obstfeld, Hamid Rashid, Martin Ravallion, Amartya Sen, Luis Servén, Hyun Song Shin, Nicholas Stern, Joseph Stiglitz, Cass Sunstein, Michael Toman, Jörgen Weibull

"This volume not only offers an invaluable retrospective of the World Bank's best thinking on development but also has the analytical caliber and policy insights to become an indispensable source for those dealing with the present and future growth and equity challenges faced by the developing countries." – Ernesto Zedillo

A wide ranging contribution to the debate about the impact of technological change on economic and social welfare.

An Agenda

A Simple Proof that Futures Markets are Almost Always Informationally Inefficient

Proceedings of a Conference Held by the International Economic Association in Ottawa, Canada

Rewriting the Rules of the European Economy: An Agenda for Growth and Shared Prosperity

Some Empirical Evidence

Towards a General Theory of Deep Downturns

In this edited collection, Joseph Stiglitz and Martin Guzman present a series of studies on contemporary macroeconomic issues. The book discusses a set of key lessons for macroeconomic theory following the recent global financial crisis and explores unconventional monetary policy in a post-crisis world. This volume is divided into five parts. The introduction includes keynote speeches by the Governors of the Bank of Japan and Central Bank of Jordan. Part one focuses on macroeconomic theory for understanding macroeconomic fluctuations and crises. Part two addresses the issue of the measurement of wealth. Part three discusses macroeconomic policies in times of crises. Finally, part four focuses on central banking and monetary policy.

The Nobel Prize winning economist and best-selling author explains why saving Europe may mean abandoning the euro."

Theory, Practice and Prospects

Inequality and Growth: Patterns and Policy

The Global Macro Economy and Finance

The Price of Inequality

The Welfare State Revisited

Making Globalization Work