

Reinhart and Rogoff: Selected interviews, op-eds, and media on the policy response to crisis

[What should we do about national debt, and when?](#) by Kevin G. Hall and Robert A. Rankin | *McClatchy Newspapers*, Tuesday August 17, 2010

“Two prominent economists who published an acclaimed study last year of 800 years of national financial crises, ‘This Time Is Different,’ see flaws on both sides of today’s argument. The debt must be dealt with, they say, but not too fast.”

[Paul Krugman, New York Times, August 18, 2010](#) (Citing from McClatchy article) *“Rogoff: We may need another stimulus bill just to decompress from the previous one, a smaller one to cushion the landing. Reinhart: I’m not one of those deficit hawks.... I’m not saying you run out and pull the plug and have an adjustment that could derail what fragile recovery we do have. Good for them.”*

[Top Culprit in the Financial Crisis: Human Nature](#), *Barrons*, November 24, 2012, by Lawrence C. Strauss

Reinhart: *“...the thrust in a deep financial crisis, when you throw in both monetary and fiscal stimulus, is to come up with something that helps raise the floor. That’s why the decline wasn’t 10% or 12%. However, one area where policy really has left a bit to be desired is that both in the U.S. and in Europe, we have embraced forbearance. Delaying debt write-downs and delaying marking to market is not particularly conducive to speeding up deleveraging and recovery.”*

Rogoff: *“...if you didn’t just raise taxes or cut taxes but actually fixed the tax system, that would be very important....And, lastly, other things, like infrastructure and education spending, are important. This isn’t all about austerity versus no austerity. Countries that are successful in dealing with these crises, such as Sweden, sometimes take them as an opportunity to change. We haven’t.”*

[Reinhart Testimony before Senate Budget Committee](#), February 9, 2010. *“In light of the likelihood of continued weak consumption in the U.S. and Europe, rapid withdrawal of stimulus could easily tilt the economy back into recession. To be sure, this is not the time to exit. It is, however, the time to lay out a credible plan for a future exit.”*

[In Praise of Carmen Reinhart](#), *Guardian*, April 2, 2010 (editorial page)

“The world’s best known female economist has warned cutting the deficit the Tory way would send the UK back into recession.”

[5 Myths about the European debt crisis](#), by Carmen Reinhart and Vincent Reinhart, *Washington Post*, May 9, 2010

Myth #3: *Fiscal austerity will solve Europe’s debt difficulties.*

“But fiscal austerity usually doesn’t pay off quickly. A large and sudden contraction in government spending is almost sure to shrink economic activity as well. This means tax collections fall and unemployment and welfare benefits rise, undermining efforts to reduce the deficit. Even if new borrowing is reduced or eliminated, it takes time to whittle down a large debt, and international investors are notoriously impatient.”

[Reinhart on Financial Repression to Deal with a Debt Overhang](#), *Bloomberg View*, March 11, 2012

“One of the main goals of financial repression is to keep nominal interest rates lower than would otherwise prevail. This effect, other things being equal, reduces governments’ interest expenses for a given stock of debt and contributes to deficit reduction. However, when financial repression produces negative real interest rates and reduces or liquidates existing debts, it is a transfer from creditors (savers) to borrowers and, in some cases, governments.”

[IMF Calls for Action on Eurozone](#), *BBC Newshour*, July 19, 2011 (interview with Kenneth Rogoff)

“The current strategy that calls for years of austerity and recession in the periphery countries is just not tenable.”

[The Euro’s Pig-Headed Masters](#) (Kenneth Rogoff, *Project Syndicate*, June 2011) *“Instead of restructuring the manifestly unsustainable debt burdens of Portugal, Ireland, and Greece (the PIGs), politicians and policymakers are pushing for ever-larger bailout packages with ever-less realistic austerity conditions.”*

[The Economy and the Candidates](#), *Wall Street Journal Report* with Maria Bartiromo, October 21, 2012 (interview with Kenneth Rogoff)

Min 2:40 on Fiscal Cliff *“Hopefully we won’t commit economic suicide by actually putting in all that tightening so quickly.” I like to see something like Simpson Bowles....If we did, we could have our cake and eat it too, we could have more revenue without hurting growth.”*

[Kenneth Rogoff on Economy, European Debt Crisis](#), Bloomberg Surveillance, July 27, 2012, Interviewer Tom Keene: “You told me five years and change ago that we would need four trillion dollars of stimulus to get through this” min 7:55: “yes to great infrastructure projects, but not to just digging ditches”

[The Bullets Yet to Be Fired](#), *Financial Times*, August 8, 2011 (by Kenneth Rogoff)

“In the case of Europe, this involves very large debt write downs in the smaller periphery countries, combined with a German guarantee of central government debt in the rest....In the case of the US, policymakers need to offer schemes to write down underwater mortgages....there is still the option of trying to achieve some modest deleveraging through moderate inflation of say 4 to 6 per cent for several years.....Last but not least, monetary and financial solutions must be buttressed by structural reforms....”

[Farheed Zakaria, GPS “Krugman calls for Space Aliens to Fix US Economy.”](#) August 12, 2011, Ken Rogoff:

“Infrastructure spending, if it were well-spent, that's great. I'm all for that. I'd borrow for that, assuming we're not paying Boston [Big Dig](#) kind of prices for the infrastructure.”

[Interview with Charlie Rose](#), *Business Week*, December 2012, **CR: Does this economy need further stimulus?**

KR: *“Certainly, withdrawing it at too rapid a rate in such a fragile economy makes no sense....We need to have areas where we spend money, like infrastructure, education.”*

[Inflation is Now the Lesser Evil](#), Kenneth Rogoff, Project Syndicate, December 2008, *“It is time for the world's major central banks to acknowledge that a sudden burst of moderate inflation would be extremely helpful in unwinding today's epic debt morass.”*

[Paul Krugman vs Ken Rogoff on the European Debt Crisis](#), *BBS Newshour*, May 30, 2012.

[“William Clinton on Ken Rogoff and This Time Is Different”](#), Speech for Obama campaign, Youngstown Ohio, October 29, 2012.