

Finding Solutions

THE global crisis is cutting deep into many economies around the world, triggering a slump in world trade and putting globalization on hold.

This issue of *F&D* examines the multiple facets of the recession—from the impact on individual economies to the effect on the external accounts of the world’s lenders and borrowers—and offers a variety of suggestions for supporting a recovery and averting future crises, through both policy changes and longer-term regulatory reform.

We cover several IMF studies that shed light on the depth of the crisis—including a survey on the sharp drop in trade finance, along with quantitative findings about the direct and indirect costs of the financial turbulence—and debate what is to be done from several angles, including the redesign of the regulatory framework and ways to

plug large data gaps to prevent future crises and aid in the creation of early warning systems.

We profile economist Nouriel Roubini, the “global nomad” credited with sounding the alarm about the coming global crisis, while in our “Back to Basics” column we examine what makes a recession.

Opinion pieces discuss the shifting boundary between the state and markets, the agenda for financial sector reform, and the governance of global financial markets. We take a historical perspective to see when restructuring the global financial architecture actually succeeds. Reinforcing regulation will take time, but the impetus to move toward reform is now strong. It will take both leadership and inclusiveness.

Jeremy Clift
Editor-in-Chief

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