The Passing of an Iconic Figure at the IMF

It is with great sadness that we report the death in February of Jacques Polak, whom we profiled in our June 2008 issue of Finance & Development. Dr. Polak was an iconic figure at the IMF and was present at the creation of the Fund in 1944.

During the three decades he was a senior IMF official, he played a major role in the development of the international monetary system: its creation in the years immediately following World War II and its recalibration in the early 1970s after the demise of the global fixed exchange rate system. He was instrumental in the development of Special Drawing Rights—the international reserve asset that was utilized as recently as last year to bolster international liquidity during the global financial crisis.

But it was his development of the eponymous Polak Model in 1957 that both Dr. Polak and colleagues agreed was the economist’s most important contribution both to economics and to the institution he served for six decades.

The Polak Model explained a country’s balance of payments in monetary terms, enabling economists to understand the causes of a country’s international economic imbalances. By locating the source of balance of payments problems in domestic credit creation, the model gave the IMF the ability to prescribe the steps a nation in economic distress should take to correct them.

Dr. Polak, who was 95 when he died, also served as president of the IMF’s Per Jacobsson Foundation from 1987 to 1997 and after that maintained an advisory role, coming to the IMF several times a week until late 2007. He will be greatly missed by all of us.

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In this issue of F&D, we look at why countries vie to host the world’s most costly sporting events and, in several articles, look at the continued fallout from the global economic crisis. As usual, we take on a number of hot topics, including housing prices, protectionism, bankers’ bonuses, Ponzi schemes, and dollarization. In “Picture This” we look at how hunger is again on the rise in parts of the world and our regular “People in Economics” column profiles Daron Acemoglu, the Turkish-born intellectual who won the American Economic Association’s award in 2005 as the most influential U.S. economist under the age of 40.

Jeremy Clift
Editor-in-Chief

**ALSO IN THIS ISSUE**

16 Housing Prices: More Room to Fall?
From a historical perspective, it is not the trend but the volatility in housing prices that is distinctive
Prakash Loungani

24 Viewpoint: Challenge of the Century
Climate change is about market failure on a global scale: it must be resolved together with debt and global economic imbalances
Alex Bowen, Mattia Romani, and Nicholas Stern

26 Opaque Trades
Not all financial innovations increase efficiency. Here are three with questionable effects
Randall Dodd

37 Perils of Ponzis
Regulators need to stop Ponzi schemes before they gain momentum, especially in developing countries
Hunter Monroe, Ana Carvajal, and Catherine Pattillo

46 Inflation Targeting Turns 20
A growing number of countries are making a specific inflation rate the primary goal of monetary policy, with success
Scott Roger

40 Picture This
Hunger on the Rise
Number of hungry people tops one billion
David Dawe and Denis Drechsler

44 Back to Basics
What Is Inflation?
Ceyda Oner

53 Book Reviews
The Creation and Destruction of Value: The Globalization Cycle, Harold James
This Time Is Different: Eight Centuries of Financial Folly, Carmen M. Reinhart and Kenneth S. Rogoff
The Aid Trap: Hard Truths about Ending Poverty, R. Glenn Hubbard and William Duggan
Soccernomics, Simon Kuper and Stefan Szymanski

57 Data Spotlight
Dollarization Declines in Latin America
Latin Americans are placing more value on their own currencies
José M. Cartas

**DEPARTMENTS**

2 People in Economics
Breacher of the Peace
Simon Willson profiles Daron Acemoglu