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**DEVELOPMENT OF FINANCIAL MARKETS AND INSTITUTIONS**

**READING LIST 11: INFLATION VS. DEFLATION**

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Winter 2021/2022

Required readings

J. T. Salerno, An Austrian Taxonomy of Deflation – With Applications to the U. S. *Quarterly Journal of Austrian Economics* 6, 4, pp. 81-109, 2003 ([available online](https://mises.org/library/austrian-taxonomy-deflation-applications-us)).

A. J. Rolnick and W. E. Weber, Money, Inflation, and Output under Fiat and Commodity Standards *Federal Reserve Bank of Minneapolis Quarterly Review* 22, 2, pp. 11-17, 1998.

B. S. Bernanke, Deflation: Making Sure “It” Doesn’t Happen Here. Remarks before the National Economists Club, Washington, D. C., November 21 2002 ([available online](https://fraser.stlouisfed.org/title/statements-speeches-ben-s-bernanke-453/deflation-making-sure-doesn-t-happen-8874)).

Further suggestions

I. Fisher, The Debt-Deflation Theory of Great Depressions *Econometrica* 1, pp. 337-357, 1933.

P. Bagus, *In Defense of Deflation*, New York: Springer, 2015.

G. Selgin, *Less Than Zero: The Case for A Falling Price Level in A Growing Economy*, London: Institute of Economic Affairs, 1997 ([available online](https://iea.org.uk/publications/research/less-zero)).

J. Tobin, Inflation and Unemployment *The American Economic Review* 62, 1/2, pp. 1-18, 1972 ([available online](http://pombo.free.fr/tobin1972.pdf)).