

## FINANCIAL SYSTEMS AND ECONOMIC GROWTH

Throughout much of the twentieth century, economists paid little heed to the role of financial intermediaries in procuring a beneficial allocation of capital. But by the end of the century some financial historians had begun to turn the tide, and the phrase ‘finance-growth nexus’ became part of the lexicon of modern economics. Recent experience has added another dimension in that countries with broader, deeper and more active financial systems might be prone to financial crises, particularly if regulatory structures are inadequate. In this book, Peter L. Rousseau and Paul Wachtel have gathered together some of today’s most distinguished financial historians to examine this finance-growth nexus from historical and modern perspectives. Some essays examine the nexus in a particular historical or cross-country context. Others, in the light of recent experience, explore the expanded nexus of finance, growth, crises, and regulation.

Peter L. Rousseau is Professor of Economics at Vanderbilt University, Tennessee and secretary-treasurer of the American Economic Association. He is a macroeconomist and economic historian who studies the role of financial markets and institutions in growth and development. He has published extensively in leading economic journals, including the *Journal of Political Economy*, the *Journal of Monetary Economics*, the *Journal of Financial Economics* and the *Journal of Economic History*.

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# Financial Systems and Economic Growth

*Credit, Crises, and Regulation from the 19th Century  
to the Present*

Edited by

**PETER L. ROUSSEAU**

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and

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*In appreciation of Richard Sylla's many contributions  
to economic and financial history.*

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