

# **Surviving Large Losses**

**FINANCIAL CRISES,  
the MIDDLE CLASS,  
and the DEVELOPMENT OF  
CAPITAL MARKETS**

Philip T. Hoffman

Gilles Postel-Vinay

Jean-Laurent Rosenthal

**THE BELKNAP PRESS OF  
HARVARD UNIVERSITY PRESS**

Cambridge, Massachusetts

London, England

2007

# Contents

Acknowledgments	vii
Introduction	1
1. The Political Economy of Financial Crises	9
2. Information and Crises	31
3. Crises and the Middle Class	64
4. What Happens after Crises	101
5. Financial Intermediaries and the Demand for Change	128
6. Governments and the Demand for Reform	157
Conclusion: The Lessons of History	194
Notes	225
References	239
Index	255