Financial Stability in Practice
Towards an Uncertain Future

Charles A.E. Goodhart
Emeritus Professor of Banking and Finance, and long-standing member of the Financial Markets Group, at the London School of Economics, UK

Dimitrios P. Tsomocos
University Reader in Financial Economics and Fellow in Management, Said Business School and St. Edmund Hall, University of Oxford, UK

Edward Elgar
Cheltenham, UK • Northampton, MA, USA
Contents

Acknowledgements ix

1 Introduction
Charles A.E. Goodhart and Dimitrios P. Tsomocos 1

PART I THE DEVELOPMENT OF FINANCIAL REGULATION


5 ‘The Role of Macro-Prudential Supervision’, paper presented by C.A.E. Goodhart at the Federal Reserve Bank of Atlanta Conference on ‘Up from the Ashes: The Financial System after the Crisis’, May 11/12, 2010, Atlanta, Georgia 64


PART II MODELLING


vi Financial Stability in Practice


PART III MEASUREMENT


PART IV CAPITAL REQUIREMENTS AND PROCYCLICALITY


PART V THE STRUCTURAL ORGANISATION OF SUPERVISION


PART VI  CONCLUSION

22 Conclusion
Charles A.E. Goodhart and Dimitrios P. Tsomocos