

Discussion Questions on *The Return of Depression Economics*,
by Paul Krugman

1. Is there anything in Krugman that is poorly explained? (By this, I do *not* mean something that Krugman has *argued* poorly – which you understand but do not buy – I mean something that you don't understand because he wasn't clear enough to communicate what he was trying to say.)
2. How was Japan's downturn like the current U.S. downturn? How was it different?
3. In addition to the current crisis, Krugman discusses various other crises in various countries over the years. List them. Why do you think Krugman devotes so much discussion to these other crises?
4. What role does confidence play in economic fluctuations?
5. What does Paul Krugman think about Alan Greenspan? Do you agree?
6. What is the shadow banking system? What role does it play in the current crisis?
7. What is the role of financial globalization in the current crisis?
8. Describe Krugman's prescription for the current economic crisis. Now evaluate it.