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CURRICULUM VITAE

DOUGLAS GALE

DATE OF BIRTH: March 27, 1950

CITIZENSHIP: Canadian

CURRENT ADDRESS:

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EDUCATION:

B.Sc. Trent University, Economics (1967-70)
M.A. Carleton University, Economics (1970-72)
Ph.D. University of Cambridge, Economics (1972-75)

CURRENT POSITIONS:

Professor of Economics, New York University
Chairman, Department of Economics, New York University

PREVIOUS POSITIONS:

Junior Research Fellow, Churchill College, Cambridge (1975-78)
Lecturer in Economics, London School of Economics (1978-81)
Reader in Economics, London School of Economics (1981-85)
Visitor in Economics, University of Pennsylvania (1984-85)
Professor of Economics, London School of Economics (1985-86)
Associate Professor of Economics, University of Pennsylvania (1985-87)
Professor of Economics, University of Pennsylvania (1987-88)
Professor of Economics, University of Pittsburgh (1986-90)
Visiting Professor of Economics, Massachusetts Institute of Technology (1989-90)
Professor of Economics, Boston University (1990-96)
Visitor in Economics, University of Pennsylvania (1994)
Co-Director, C.V. Starr Center for Applied Economics, New York University (1998-99)

HONORS AND AWARDS:

University Scholar (Trent University)
Canadian Transportation Commission Fellowship (Carleton University)
Commonwealth Scholarship (University of Cambridge)

Fellow of the Econometric Society (1987)
Churchill Lecturer in Economic Theory (1997)
Salomon Brothers, Smith Barney Prize (for “Optimal Financial Crises”, ASSA Meetings, Chicago, IL, January 1998)
Distinguished Visitor, Financial Markets Group, London School of Economics (1992-95, 1998).

PROFESSIONAL ACTIVITIES:

Member, Editorial Board, *The Review of Economic Studies* (1979-88)
Assistant Editor, *The Review of Economic Studies* (1980-83)
Research Fellow, Centre for Economic Policy Research (1984-87)
Associate Editor, *The Journal of Economic Theory* (1986-92, 1997- 2001)
Member, NBER Working Group on Financial Markets and Economic Fluctuations (1986-88)
Associate Editor, *The Journal of Mathematical Economics* (1988-92)
Co-Editor, *Economic Theory* (1990-92, 1996-97)
Associate Editor, *Econometrica* (1990-92)
Member, Economics Advisory Panel, National Science Foundation (1991-92)
Co-Editor, *Econometrica* (1992-96)
Associate Editor, *Economic Theory* (1992-95)
Chairman, Program Committee, North American Summer Meetings of the Econometric Society (held at Boston University, June 1993).
Associate Editor, *Ricerche Economiche* (1997-)
Advisory Editor, *Macroeconomic Dynamics* (1997-)
Senior Fellow, Wharton Financial Institutions Center (1998-2000)
Sloane Fellow, Wharton Financial Institutions Center (2000-)

RESEARCH INTERESTS:

Economics of finance, money and banking; general equilibrium theory; coordination problems; bounded rationality in economics.

PUBLICATIONS:

Books

Money in Equilibrium. Cambridge: Cambridge University Press (1982).

Money in Disequilibrium. Cambridge: Cambridge University Press (1983).

Comparing Financial Systems. Cambridge, MA: MIT Press (2000) (with F. Allen).
Chinese edition from Chinese People’s University Press (to appear 2002).

Strategic Foundations of General Equilibrium: Dynamic Matching and Bargaining Games. Cambridge and New York: Cambridge University Press (2000).

Edited books

Economic Analysis of Markets and Games: Essays in Honor of Frank Hahn.
Cambridge, MA: MIT Press (1992) (with P. Dasgupta, O. Hart and E. Maskin).

Financial Innovation and Risk Sharing. Cambridge, MA: MIT Press (1994) (with F. Allen).

Articles

“A Note on Conjectural Equilibria,” *Review of Economic Studies* **45** (1978) 33-38.
Reprinted in Jean-Michel Grandmont (ed.) *Temporary equilibrium: Selected readings.*
Economic Theory, Econometrics, and Mathematical Economics series, San Diego;
London; Sydney and Toronto: Harcourt Brace Jovanovich, Academic Press, 1988.

“The Core of a Monetary Economy without Trust,” *Journal of Economic Theory* **19**
(1978) 456-491.

“Large Economies with Trading Uncertainty,” *Review of Economic Studies* **46** (1979)
319-338.

“Money, Information and Equilibrium,” *Journal of Economic Theory* **23** (1980) 28-65.

“Improving Coalitions in a Monetary Economy,” *Review of Economic Studies* **48** (1981)
365-384.

“Competitive Models with Keynesian Features,” *Economic Journal* **93** (1983) 17-33.

“Incentive-Compatible Debt Contracts: The One-Period Problem,” *Review of Economic
Studies* **52** (1985) 647-663 (with M. Hellwig).

“Bargaining and Competition, Part I: Characterization,” *Econometrica* **54** (1986) 785-
806.

“Bargaining and Competition, Part II: Existence,” *Econometrica* **54** (1986) 807-818.

“Preference Shocks, Liquidity and Central Bank Policy,” in W. Barnett and K. Singleton,
eds., *New Approaches to Monetary Economics.* New York: Cambridge University Press
(1987) 69-88 (with S. Bhattacharya).

“Limit Theorems for Markets with Sequential Bargaining,” *Journal of Economic Theory*
43 (1987) 20-54.

“Price Setting and Competition in a Simple Duopoly Model,” *Quarterly Journal of
Economics* **103** (1988) 729-740.

“Optimal Security Design,” *Review of Financial Studies* **1** (1988) 229-263 (with F.
Allen).

“Repudiation and Renegotiation: The Case of Sovereign Debt,” *International Economic Review* **30** (1989) 3-31 (with M. Hellwig).

“Incomplete Markets and the Incentives to Set up an Options Exchange,” *Geneva Papers on Risk and Insurance Theory* **15** (1990) 17-46 (with F. Allen).

“Underinvestment and the Demand for Liquid Assets,” in L. McKenzie and S. Zamagni, eds., *Value and Capital: 50 Years After*. London: Macmillan (1990).

“The Efficient Design of Public Debt,” in M. Draghi and R. Dornbusch, eds., *Public Debt Management: Theory and History*. Cambridge: Cambridge University Press (1990).

“Arbitrage, Short Sales and Financial Innovation,” *Econometrica* **59** (1991) 1041-1068 (with F. Allen).

“Incomplete Mechanisms and Efficient Allocation in Labor Markets,” *Review of Economic Studies* **58** (1991) 823-851.

“Optimal Risk-Sharing through Renegotiation of Simple Contracts,” *Journal of Financial Intermediation* **1** (1991) 283-306.

“Informational Efficiency of Search Equilibrium,” in P. Dasgupta, D. Gale, O. Hart and E. Maskin, eds., *Economic Analysis of Markets and Games: Essays in Honor of Frank Hahn*. Cambridge, MA: MIT Press (1992).

“Measurement Distortion and Missing Contingencies in Optimal Contracts,” *Economic Theory* **2** (1992) 1-26 (with F. Allen).

“A Walrasian Theory of Markets with Adverse Selection,” *Review of Economic Studies* **59** (1992) 229-255.

“Standard Securities,” *Review of Economic Studies* **59** (1992) 731-755.

“Stock Price Manipulation,” *Review of Financial Studies* **5** (1992) 503-529 (with F. Allen).

“Informational Capacity and Financial Collapse,” in C. Mayer and X. Vives (eds.) *Financial Intermediation in the Reconstruction of Europe*. Cambridge: Cambridge University Press (1993).

“Financial Innovation: An Overview,” Part I (Chapters 1-5) of F. Allen and D. Gale, *Financial Innovation and Risk Sharing*. Cambridge, MA: MIT Press (1994) (with F. Allen).

- “Liquidity Preference, Market Participation and Asset Price Volatility,” *American Economic Review* **84** (1994) 933-955 (with Franklin Allen).
- “Information Revelation and Strategic Delay in a Model of Investment,” *Econometrica* **62** (1994) 1065-1085 (with Christophe Chamley).
- “Price and Quality Cycles for Experience Goods,” *The RAND Journal* **25** (1994) 590-607 (with Robert Rosenthal).
- “Dynamic Coordination Games,” *Economic Theory* **5** (1995) 1-18.
- “A Welfare Comparison of Intermediaries and Financial Markets in Germany and the U.S.,” *European Economic Review* **39** (1995) 179-209 (with F. Allen).
- “Equilibria and Pareto Optima of Markets with Adverse Selection,” *Economic Theory* **7** (1996) 207-235.
- “What Have We Learned from Social Learning?” *European Economic Review*, **40** (1996) 617-628.
- “Universal Banking, Intertemporal Risk Smoothing, and European Financial Integration” in A. Saunders and I. Walter (eds.) *Universal Banking: Financial System Design Reconsidered*. New York: Irwin (1996) 528-542 (with F. Allen).
- “Delay and Cycles,” *Review of Economic Studies* **63** (1996) 169-198.
- “Financial Markets, Financial Intermediaries and Intertemporal Smoothing” *Journal of Political Economy* **105** (1997) 523-546 (with F. Allen).
- “Spoiled for Choice: Variety and Efficiency in Markets with Incomplete Information,” *Ricerche Economiche* **51** (1997) 41-67.
- “Optimal Financial Crises,” *Journal of Finance* **53** (1998) 1245-1284 (with F. Allen).
- “Innovations in Financial Services, Relationships and Risk Sharing,” *Management Science* **45** (1999) 1239-1253 (with F. Allen).
- “Experimentation, Imitation, and Strategic Stability,” *Journal of Economic Theory* **84** (1999) 1-40 (with R. Rosenthal).
- “Diversity of Opinion and Financing of New Technologies,” *Journal of Financial Intermediation* **8** (1999) 68-89 (with F. Allen).
- “Corporate Governance and Product Market Competition” in Xavier Vives (ed.) *Corporate Governance: Theoretical and Empirical Perspectives*. Cambridge: Cambridge University Press (2000) (with F. Allen).

“Bubbles, Crises, and Policy” *Oxford Review of Economic Policy* **15** (1999) 9-19 (with F. Allen).

“The Asian Crisis and the Process of Contagion” *Journal of Financial Compliance and Regulation* **7** (1999) 243-249 (with F. Allen).

“Bubbles and Crises,” *The Economic Journal* **110** (2000) 236-256 (with F. Allen).

“Financial Contagion,” *Journal of Political Economy* **108** (2000) 1-33 (with F. Allen). Reprinted as Chapter 18 in *Lender of Last Resort: A Reader* edited by Charles Goodhart and Gerhard Illing, Oxford University Press (to appear).

“Signaling in Markets with Two-Sided Adverse Selection” *Economic Theory*, **18** (2001) 391-414.

“Experimentation, Imitation, and Strategic Stability: Addendum,” *Journal of Economic Theory* **97** (2001) 164-174 (with R. Rosenthal).

“Optimal Currency Crises” *Carnegie-Rochester Conference Series on Public Policy* **53** (2000) 177-230 (with F. Allen). Reprinted as Chapter 16 in *Lender of Last Resort: A Reader* edited by Charles Goodhart and Gerhard Illing, Oxford University Press (to appear).

“Monotone Games” *Games and Economic Behavior* **37** (2001) 295-320.

“Dollarization, Bailouts, and the Stability of the Banking System” (with X. Vives) *Quarterly Journal of Economics*, **117** (2002) 467-502.

“Asset Price Bubbles and Monetary Policy” in *Financial Crises and Global Governance* proceedings of a conference held at the London School of Economics, October 13 and 14, 2000 (to appear).

“Comparative Financial Systems: A Survey” in *Financial Intermediation* edited by Sudipto Bhattacharya, Arnoud Boot and Anjan Thakor, Oxford University Press (to appear).

SUBMITTED FOR PUBLICATION:

“Banking and Markets” (with F. Allen)

“Financial Fragility” (with F. Allen)

“Financial Regulation in a Changing Environment”

IN PREPARATION:

Understanding Financial Crises (with F. Allen)

“Markov Equilibria in Dynamic Matching and Bargaining Games” (with H. Sabourian)

“Competition and Complexity” (with H. Sabourian)

“Competitive Insurance Markets with Asymmetric Information: A Cournot-Arrow-Debreu Approach” (with M. Hellwig)

“The Market for Managers” (with F. Milne)

“A Strategic Model of a Labor Market with Incomplete Information”.

“Informational Capacity and the Credit Crunch”.

“Branch Banking, Unitary Banking and Competition”.

“The Market for Internal Funds” (with Franklin Allen).

“General Equilibrium with Incomplete Information”.

OTHER PAPERS:

“Optimal Debt Contracts: A Comparative Static Analysis” CARESS Working Paper 86-06 (1986) (with M. Hellwig).

“A General Equilibrium Model of the Transactions Demand for Money”, CARESS Working Paper 85-07 (1985, revised 1987) (with M. Hellwig).

“Informed Speculation in Large Markets” University of Pittsburgh (1987, revised 1988) mimeo (with M. Hellwig).

“A Simple Characterization of Bargaining Equilibrium in a Large Market without the Assumption of Dispersed Characteristics” CARESS Working Paper 86-05 (1986).

“A Strategic Model of Trade with Money as a Medium of Exchange” CARESS Working Paper 86-0* (1986).