Unbalanced but Converging – The Pre-crisis Growth Process and its Implications for the Post-crisis Recovery*

ADALBERT WINKLER

More than one year after the collapse of Lehman Brothers the world economy seems to be heading for a recovery. This is good news. However, up to now the return to growth has been largely based on anti-cyclical policy measures (IMF 2009c) and not on sustainable, private-sector-led investment and consumption. Thus, the question of how a new process of private-sector-driven growth will look is still open. This is an important question as the crisis has been interpreted as an inevitable consequence of the unbalanced character of growth which characterized the pre-crisis years. Will the new growth process follow a similar pattern? Or will it meet the criterion set by the Pittsburgh G-20 summit and be more balanced (G-20 2009)?

Imbalances of the Pre-crisis Growth Process

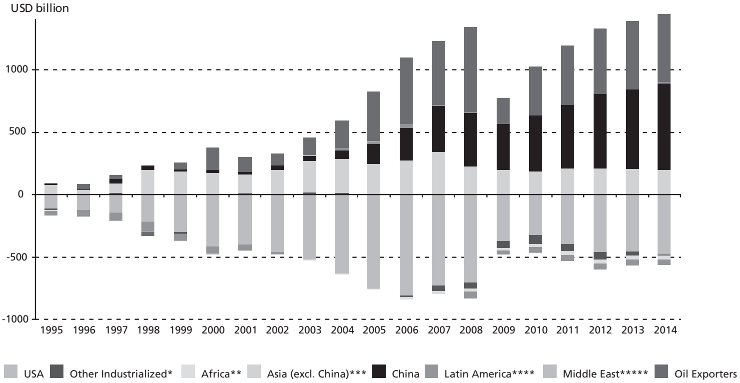
Pre-financial crisis growth was accompanied by widening current account balances. The unbalanced pattern of growth was most evident with regard to the so-called »global imbalances,« that is, the rising current account deficit of the United States and the rising surpluses of Asian countries, in particular China, as well as resource-rich countries (Figure 1). Rising current account imbalances were also a feature of European growth processes.[1] While some countries, including Germany, were recording high and/or rising current account surpluses, the EU Member States in the south (Greece, Portugal and Spain) and east (the new EU

* The paper is based on an impulse statement at the international seminar »Cohesive Growth in Europe after the Crisis,« organized by the Friedrich-Ebert-Stiftung, Berlin, October 23, 2009.

1. Indeed, on both sides – surpluses as well as deficits – some European countries recorded even higher imbalances than those observed in the US–Asian context. The largest imbalances – expressed as a share of domestic GDP – were recorded in the small oil-producing countries of the Gulf and the Mediterranean.

Figure 1

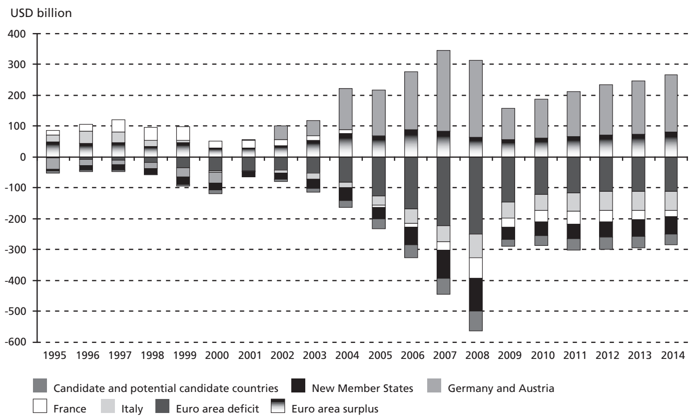
Global Imbalances



Notes: * = United Kingdom, Denmark, Sweden, Switzerland, Canada, Australia, New Zealand; ** = Morocco, South Africa, Tunisia; *** = All Asia excluding China but including Japan; **** = Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru; ***** = Egypt, Israel
Source: IMF

Figure 2

Imbalances in Europe

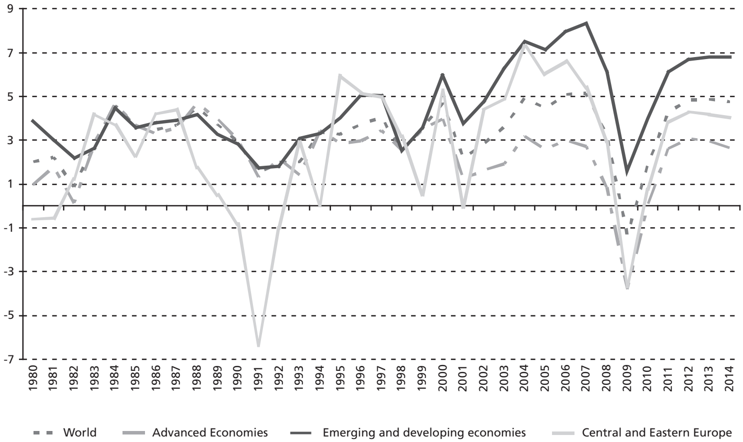


Euro area deficit countries: Greece, Ireland (since 2000), Portugal and Spain
Euro area surplus countries: Belgium, Finland, Luxembourg, Netherlands

Sources: IMF, author's calculations

Figure 3

Global Growth



Central and Eastern Europe: Albania, Bulgaria, Croatia, Estonia, Hungary, Latvia, Lithuania, Macedonia, Former Yugoslav Republic of, Poland, Romania, Turkey

Source: IMF

Member States in Central and Eastern Europe), as well as the candidate and potential candidate countries of South-Eastern Europe were running high and/or rising current account deficits (Figure 2).

Concerns about global and European imbalances had been raised by policy-makers and academics long before the outbreak of the global financial crisis in August 2007.[2] However, the debate on the causes and implications of the European imbalances had a different flavor, compared to the debate on global imbalances (Winkler 2008). Global imbalances were discussed mainly with a view to the ultimate need of adjustment of the US dollar exchange rate (Rogoff 2006). By contrast, exchange rate concerns played a much more subdued role in the European debate. There were several reasons for this. First, some of the European imbalances were recorded within the euro area, whereas the euro area's current account was close to balance. Moreover, imbalances within a common currency area are – by definition – immune to the risk of a currency crisis. Second, the current account deficits in Central, Eastern and South-Eastern European countries (CEE/SEE) were a cause for concern and

2. For a summary of the debate see Obstfeld and Rogoff (2009).

compared to pre-1997 developments in emerging Asia as early as 2003 (Eichengreen and Choudhry 2005). At the same time, however, these imbalances seemed at least partly to have been driven by rapid financial deepening in the transition process from plan to market. Moreover, financial development was strongly anchored in European financial integration as euro-area and EU-15 parent banks became dominant players in the CEE/SEE banking markets. Third, European imbalances were in line with the predictions of standard economic theory, suggesting that countries involved in a catching-up process[3] should run current account deficits, given a higher marginal productivity of capital compared to the more mature economies and consumption smoothing behavior on the part of consumers in the catching-up economies (Obstfeld and Rogoff 1996). This was in stark contrast to global imbalances where the emerging Asian countries were running surpluses and the United States, arguably the most advanced economy, was running deficits.

While pre-crisis growth was unbalanced, it was also strong and cohesive. Global output was advancing at rates not seen since the breakdown of the Bretton Woods system in the early 1970s. Moreover, it was driven by emerging markets and developing countries. Emerging Europe, the new EU Member States and the EU candidate and potential candidate countries, as well as emerging economies and developing countries as a whole, recorded significantly higher rates of real per capita growth than advanced economies (Figure 3). As a result, the pre-crisis global economy saw substantial progress in the convergence of developing countries and emerging markets to mature-economy income levels.

In the end, both global and European imbalances narrowed sharply after the Lehman collapse (Figures 1 and 2) and the growth process ended with huge declines in output (Figure 3) and employment. The imbalances proved to be unsustainable. But did they cause the crisis? The literature does not provide a unique answer to this question as there are substantial differences in views on the factors that led to the unbalanced pattern of growth in the first place. In broad terms, the debate can be summarized by distinguishing two views: the macro policy view and the financial integration view.

3. This feature applied, albeit to different degrees, to all European deficit countries: that is, the South European countries within the euro area (Blanchard and Giavazzi 2002) and the CEE/SEE countries (Abiad, Leigh and Mody 2007).

Imbalances and the Financial Crisis – the Macro Policy View

The macro policy view argues that rising imbalances have been a key factor causing the financial crisis (Portes 2009) and driven by ill-designed macroeconomic policies, in mature as well as emerging market countries. Accordingly, the crisis largely reflects macroeconomic policy mistakes. The macro policy view acknowledges that financial sector weaknesses – for example, the design of securitization and the associated incentive problems (Gorton 2008, Calomiris 2008) – and policy failures in financial regulation (Brunnermeier et al. 2009) played a role in triggering the crisis. However, they are not seen as fundamental causes of the crisis (BIS 2008).

Macroeconomic policy mistakes contributing to the pattern of unbalanced growth were made on three levels:

1. Monetary policy in mature economies. Monetary policy in mature economies was too accommodative. In particular in the years after the anti-cyclical response to the burst of the dotcom bubble, monetary policy had been too expansionary. This criticism is most strongly voiced against the Federal Reserve's monetary policy (Sachverständigenrat 2007, Taylor 2008).[4] Interest rates were too low, even though inflation in mature economies was, most of the time, below four percent, fuelling private sector spending on consumption and investment, which – in particular in the United States – led to the rise in the current account deficit.

2. Monetary and exchange rate policies in emerging market economies. Emerging markets contributed to rising imbalances by maintaining pegged or tightly managed exchange rates, despite strong capital inflows, a rapid build-up of foreign exchange reserves, and the associated inability to use monetary policy in fighting overheating pressures in their respective economies. Moreover, the reserve build-up contributed to excess liquidity and a search for yield and credit boom phenomena in the financial markets of mature economies. China is the most prominent example in a global context; the Baltic countries, Bulgaria and Croatia are key examples in the European context.[5]

4. Similar claims – albeit to a lesser extent – have been made with regard to monetary policy in the euro area.

5. As already indicated, the »exchange rate policy« of euro area member states was not subject to a similar debate as euro area deficit countries – by definition – are not exposed to the risk of an exchange rate crisis. However, rising imbalances among euro area member states have been part of scenarios envisaging a possible break-up of the euro area (Eichengreen 2007).

3. Fiscal policy in deficit countries. Fiscal policy should have been much more restrictive in the years of high growth. This holds for mature economies, like the United States and Spain, as well as emerging market economies, like the CEE/SEE countries.

It is difficult to disagree with the view that policy mistakes were made. In general, however, monetary, exchange rate, and fiscal policies in mature and emerging market economies have not been that different from policies conducted since the early 1980s (Goodfriend 2007), when imbalances were on a much smaller scale. Moreover, in many cases they achieved the goals they were supposed to achieve. Inflation had been low in mature economies over the past decade, suggesting that central banks had achieved their primary objective: price stability.[6] Fiscal policies in deficit countries ignored the need for a more restrictive policy stance. But at least partly this was in line with the consensus view according to which fiscal policy is a poor stabilization tool and should focus on sustainability considerations (Cecchetti 2002, Allsop and Vines 2005). With high growth, deficits in the range of 1–3 percent of GDP did not violate the sustainability postulate. Thus, the standard macroeconomic policy framework did not call for stronger policy reactions, despite mounting evidence of overheating pressures caused by private sector demand, driven by a rapid expansion of domestic credit. Finally, there is mixed evidence on whether a higher degree of exchange rate flexibility per se would have contributed to a reduction of the imbalances of emerging markets and developing countries (Chinn and Wei 2008; Herrmann 2009).

Imbalances and the Financial Crisis – the Financial Integration View

An alternative view is that the rise in global and European imbalances reflected different set-ups for financial integration between the centers (the United States and the euro area) and the peripheries (emerging Asia and the CEE/SEE countries).[7] Emerging Asian countries, drawing lessons from

6. Year-on-year inflation peaked at 5.6 percent (July 2008) and 4.0 percent (June and July 2008) in the United States and the euro area respectively.
7. See also Herrmann and Winkler (2008). By contrast, Schnabl and Freitag (2009) argue that the differences in the signs of current account imbalances of the periphery countries in Asia and Europe reflect different macroeconomic policy stances in the United States and the euro area – that is, in the centers.

the 1997 crisis, opted for a policy approach of cautious international financial integration based on export-led growth, current account surpluses, reserve accumulation, and limited progress in de jure financial opening. With this strategy, countries hoped to achieve the benefits of integration in global financial markets, while minimizing the risks related to sudden stops of capital flows or capital flow reversals. They pursued this strategy based on the familiar anchor country and currency: the United States and the US dollar. At the same time, the US authorities – for domestic reasons and in line with textbook recommendations – were pursuing expansionary monetary and fiscal policies, thereby fostering private domestic demand. The result was the »global imbalance,« with the center country in a deficit and the periphery countries in a surplus position.

By contrast, CEE/SEE countries, which experienced similar financial and currency crises in the late 1990s, opted for full financial integration with the euro area/EU-15. Domestic financial markets were almost completely opened, de jure and de facto. Against the background of low interest rates in the euro area, as well as the prospect of EU accession, this led to massive capital flows to the periphery, to a large extent intermediated by subsidiaries of euro area/EU-15 banks in the respective countries, fostering domestic private demand. A similar pattern of growth developed within the euro area, with strong capital flows to the Southern European countries, Greece, Portugal, and Spain. As a result, the Central, Eastern and South-Eastern European countries were recording rising current account deficits, while Germany and some other euro area countries – as well as Switzerland – were running large and/or rising current account surpluses.

Global and European imbalances are also not directly linked to the financial crisis.[8] Rather, the financial crisis has its roots in asymmetric information and incentive problems that have caused financial turbulence in advanced economies since the late 1800s (Gorton 2008, Calomiris 2008). Due to the high degree of financial integration among advanced economies (Lane and Milesi-Ferretti 2008) this turbulence spread across all advanced economies – irrespective of their current account position (Acharya and Schnabl 2009) – after the bursting of the US housing bubble. With the Lehman collapse, the crisis became global via spillovers to emerging markets, again largely unrelated to the size and sign of the current account balance.

8. See also IMF (2009a).

The financial crisis undermined financial globalization and – as a result – put an end to global growth and its unbalanced pattern. This is no surprise as the decline in current balances reflects and illustrates the familiar impact of a financial crisis in a closed economy setting. In the first round, credit lines to deficit units – that is, deficit countries in an international setting, and businesses and households in a domestic setting – were cut.

As these had been the spenders of the past, in a second round the former surplus units – surplus countries in an international setting, and households and workers in a domestic setting – lost income and revenues as they were no longer able to sell their output in the quantities recorded before. This explains why countries like Germany or Japan were recording even larger output losses than the United States or the United Kingdom, the financial centers which were at the heart of the crisis. As in a domestic setting, the global economy was exposed to a vicious circle, triggering a rapid decline in output and imbalances.

By contrast, there is little evidence suggesting that foreign investors – concerned about the current account position of the United States – triggered the crisis by withdrawing from US dollar assets (Winkler 2008). In the course of the crisis, US interest rates reached record lows and – after an initial dip – the US dollar even appreciated. Indeed, after Lehman, emerging markets saw a steep rise in interest rates and became exposed to strong exchange rate pressures, that is, the typical characteristics of an emerging market crisis.

European and Global Imbalances after the Crisis – Outlook and Policy Implications

The crisis put the different integration strategies pursued by emerging markets to the test. In general, both strategies passed the test, as full-blown financial and currency crises like those at the end of the 1990s were avoided. In emerging Asia, countries made use of their reserve cushions and comfortable external positions by fighting currency depreciation and for the first time employing standard anti-cyclical macroeconomic policies in times of crisis. In emerging Europe, the dominance of foreign banks put a brake on capital flow reversals (EBRD 2009). In addition, both regions benefited from liquidity and financial support by reserve currency central banks (BIS 2009).

A closer analysis reveals, however, that the decline in output has been much more limited in emerging Asia than in emerging Europe (Figure 3). Moreover, while both regions have been enjoying liquidity support from reserve currency central banks (BIS 2009), emerging Europe has been the major recipient of financial assistance from international financial institutions and home country governments of the respective parent banks of their subsidiaries (Vogel and Winkler 2009).

Against this background, the experience of emerging Europe – that is, deficit countries which, unlike the United States, do not issue a reserve currency – confirms that a growth strategy relying on capital inflows and domestic demand as a driver of growth remains inherently risky for emerging markets. The main lesson of the European growth process of the 2000s is that this statement even holds in an environment of »deep integration« (Rodrik 2007), as it is provided for within the EU or within the EU accession framework. This risk has two dimensions:

- First, deficit countries are more vulnerable and thus more crisis-prone. Even without the global crisis these countries faced substantial risks, as the credit boom – that is, the rise in debt levels (not the level of debt as such) – was clearly unsustainable. Economic developments in the Baltic countries in 2007, the year before the Lehman collapse, suggest that a slowdown was already under way. It was the strong presence of euro area/EU-15 banks – if unaffected by a mature-market financial crisis – that served as an important argument for expecting that the end of the credit boom would not mark the beginning of a rapid downturn (de Haas and Lelyveld 2008, Winkler 2009).[9]
- Second, emerging market deficit countries have fewer policy options in fighting a crisis than countries holding large reserves.[10] This is because deficit countries face the risk of international illiquidity if their foreign debt is largely denominated in foreign currency (Chang and Velasco 2000). In the case of a sudden stop or reversal of capital flows, local authorities are unable to provide liquidity to the market as this

9. Empirically, most financial and currency crises have been preceded by a credit boom. At the same time, many credit booms do not end in financial and currency crises (Tornell and Westermann 2002). Thus, credit booms seem to constitute a necessary but not a sufficient cause of financial and currency crises in emerging markets.
10. The case of Russia suggests that even current account surpluses do not provide a guarantee against financial market contagion when large internal imbalances emerge due to heavy foreign borrowing by the private sector.

liquidity is demanded in foreign currencies, in emerging Europe mainly euros and not the domestic currency (Vogel and Winkler 2009). And as most CEE/SEE countries did not build up a strong fiscal position in the years of strong growth, they lack the means to conduct anti-cyclical fiscal policies in the post-crisis period.

Without substantial changes in the international financial system, the crisis experience will make emerging market countries with substantial current account deficits in the past – that is, the countries in Central and Eastern Europe – less eager to return to a domestic demand-led pattern of growth in the short to medium term. There are two reasons for this. First, given the depth of the decline in output and financial losses, capital flows to the region are unlikely to recover quickly. Second, authorities might respond more aggressively to capital inflows and credit booms, for example by adopting regulatory and administrative measures, such as those taken by the monetary authorities in Croatia (Bracke et al. 2008) and Serbia in the mid-2000s.[11] If such measures were to be accompanied by more restrictive fiscal policies, CEE/SEE countries might actually be close to following the model of emerging Asia in pursuing financial integration (Mateos y Lago, Duttagupta and Goyal 2009).

As a result, European growth might become more balanced but also more subdued, if the surplus countries – not only but, due to its size, in particular, Germany – do not compensate for the loss in European aggregate demand. This holds even more if the euro area deficit countries in the south undergo a period of adjustment as well. A similar conclusion can be drawn for global growth, if the United States refuses to act as a spender of first resort and there is no rebalancing of demand via emerging Asia (Blanchard 2009). However, there are some signs that countries in emerging Asia, in particular China, are unwilling to accept a protracted period of low growth. The same seems to be the case for the United States. While strong growth in the United States and emerging Asia will facilitate recovery in Europe, inflationary pressures might emerge as a key downside risk, if the rebalancing process among the United States and emerging Asia is not properly managed (Remsperger and Winkler 2008).

In conclusion, unbalanced growth itself has not caused the financial crisis. However, this does not imply that the high and rising imbalances

11. Brunnermeier et al. (2009) recommend that such anti-cyclical regulatory policies should become a standard instrument in the authorities' tool box for fighting credit booms in mature as well as emerging markets.

of the past were benign. By contrast, they signal a malfunction of the international monetary system in a financially integrating world. This malfunction has to be corrected by establishing the very same institutions and provisions that have shaped financial markets in liberalized domestic systems on an international level (Winkler 2009b): prudential regulation and supervision of financial markets, as well as the establishment of an international lender of last resort (Strauss-Kahn 2009). Together with greater macroeconomic policy coordination, these institutions would provide emerging markets and developing countries with a strong signal that they do not have to opt for self-insurance in the form of export-led growth and reserve accumulation – that is, unbalanced growth – to continue the process of convergence characterizing the global economy over the last decade.

References

Abiad, A., D. Leigh, and A. Mody (2007): »International Finance and Income Convergence: Europe Is Different, IMF Working Paper No. 64«; Washington DC: International Monetary Fund.

Acharya, V. and P. Schnabl (2009): »Do Global Banks Spread Global Imbalances? The Case of Asset-Backed Commercial Paper During the Financial Crisis of 2007–09«. Paper presented at the Tenth Annual IMF Jacques Polak Research Conference, Financial Frictions and Macroeconomic Adjustment; Washington, DC (November 5–6, 2009); http://www.imf.org.

Allsopp, C. and D. Vines (2005): »The Macroeconomic Role of Fiscal Policy,« in: *Oxford Review of Economic Policy* 21 (4): 485–508.

Bank for International Settlements (2008): Annual Report, Basel.

Bank for International Settlements (2009): Annual Report, Basel.

Blanchard, O. (2009): »Sustaining a Global Recovery,« in: *Finance & Development* 46 (3); http://www.imf.org.

Blanchard, O. and F. Giavazzi (2002): *Current Account Deficits in the Euro Area: The End of the Feldstein-Horioka Puzzle?,* Brookings Papers on Economic Activity, Vol. 2: 147–210.

Bracke, T. (ed.) (2008): *Financial Stability Challenges in Candidate Countries – Managing the Transition to Deeper and More Market-Oriented Financial Systems,* ECB Occasional Paper No 95, Frankfurt a. M.

Brunnermeier, M., A. Crockett, C. Goodhartconcerning, C. Persaud, and H. Shin (2009): *The Fundamental Principles of Financial Regulation,* 11th Geneva Report on the World Economy, Preliminary Conference Draft, Geneva and London.

Calomiris, C.W. (2008): »The Subprime Turmoil: What's Old, What's New, and What's Next,« in: *Maintaining Stability in a Changing Financial System,* Proceedings of Federal Reserve Bank of Kansas City Symposium.

Cecchetti, S.G. (2002): »The Problem with Fiscal Policy«, Occasional Essays on Current Policy Issues, No. 18.
Chang. R. and A. Velasco (2000): »Exchange-Rate Policy for Developing Countries,« in: *American Economic Review* 90 (2): 71–75.
Chinn, M.D. and S.-J. Wei (2008): »A Faith-based Initiative: Does a Flexible Exchange Rate Regime Really Facilitate Current Account Adjustment?« NBER Working Paper No. 14420; Cambridge, MA.
De Haas, R. and I. van Lelyveld (2008): »Internal Capital Markets and Lending by Multinational Bank Subsidiaries,« EBRD Working Paper No. 105, London.
EBRD (2009): *Transition Report: Transition in Crisis?,* London.
Eichengreen, B. (2007): »The Breakup of the Euro Area,« NBER Working Paper No. 13393; Cambridge, MA.
Eichengreen, B. and O. Choudhry (2005): »Managing Capital Flows: Eastern Europe in an Asian Mirror;« University of California, Berkeley (unpublished paper).
G-20 (2009): »Leaders' Statement: The Pittsburgh Summit,« (September 24–25, 2009); http://www.pittsburghsummit.gov/mediacenter/129639.htm.
Goodfriend, M. (2007): »How the World Achieved Consensus on Monetary Policy,« in: *Journal of Economic Perspectives* 21 (4): 47–68.
Gorton, G. (2008): »The Panic of 2007,« NBER Working Paper No. 14358; Cambridge, MA.
Herrmann, S. (2009): *Do We Really Know That Flexible Exchange Rates Facilitate Current Account Adjustment? Some New Empirical Evidence For CEE Countries.* Frankfurt a. M.: Deutsche Bundesbank.
Herrmann, S. and A. Winkler (2008): »Real Convergence, Financial Markets, and the Current Account,« ECB Occasional Paper No. 88, Frankfurt a. M.
IMF (2009): »Lessons of the Global Crisis for Macroeconomic Policy;« (February 19); Washington, DC.
IMF (2009b): »IMF Managing Director Dominique Strauss-Kahn Underscores Fund's Role in Global Economic Cooperation and Urges Nations to Finalize Key Quota Reform Measures,« Press Release No. 09/353 (October 6); http://www.imf.org.
IMF (2009c): Transcript of Press Briefing on the International Monetary Fund's World Economic Outlook by Olivier Blanchard, Jorg Decressin, and Krishna Srinivasan; Istanbul, Turkey (October 1, 2009).
Lane, P. and G.M. Milesi-Feretti (2008): »The Drivers of Financial Globalization,« IIIS Discussion Paper 238, Dublin.
Mateos y Lago, I., R. Duttagupta, and R. Goyal (2009): »The Debate on the International Monetary System,« IMF Staff Position Note, 09/26; Washington, DC.
Obstfeld, M. and K. Rogoff (1996): »The Intertemporal Approach to the Current Account,« NBER Working Papers, No. 4893, National Bureau of Economic Research, Cambridge.
Obstfeld, M. and K. Rogoff (2009): »Global Imbalances and the Financial Crisis: Products of Common Causes,« Paper prepared for the Federal Reserve Bank of San Francisco Asia Economic Policy Conference; Santa Barbara, CA (October 18–19, 2009).

Remsperger, H. and A. Winkler (2008): Emerging Markets and the Global Monetary System: The Challenge of Rising Inflation,« in: *Intereconomics* 43 (5): 268–75.
Rodrik, D. (2007): »How to Save Globalization from Its Cheerleaders,« mimeo, Harvard University (September).
Rogoff, K. (2006). »Global Imbalances and Exchange Rate Adjustment,« in: *Journal of Policy Modelling* 28: 695–99.
Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung (2007): *Das Erreichte nicht verspielen;* Wiesbaden.
Schnabl, G. and S. Freitag (2009): »An Asymmetry Matrix in Global Current Accounts,« Universität Leipzig Working Paper No. 76, Leipzig.
Strauss-Kahn, D. (2009): »Making the Most of an Historic Opportunity: Three Principles for Reshaping the Global Economic and Financial Framework;« Istanbul, Çırağan Palace (October 2); http://www.imf.org.
Tornell, A. and F. Westermann (2002): »Boom-Bust Cycles in Middle Income Countries: Facts and Explanation,« NBER Working Papers, 9219; Cambridge, MA.
Winkler, A. (2008): »Globale Ungleichgewichte, Wechselkursregime und Finanzkrise,« in: *Wirtschaftsdienst, Zeitschrift für Wirtschaftspolitik* 88 (11): 723–731.
Winkler, A. (2009a): »Southeastern Europe: Financial Deepening, Foreign Banks and Sudden Stops in Capital Flows,« in: *Focus on European Economic Integration,* Q1/09: 84–97.
Winkler, A. (2009b): »The Financial Crisis – A Wake-up Call for Strengthening Regional Monitoring of Financial Markets and Regional Coordination of Financial Sector Policies?« Paper prepared for the ADBI conference »Global Financial Crisis: Financial Sector Reform and Regulation«, Tokyo (July 21–22, 2009).
Winkler, A. and U. Vogel (2009): »Finanzierungsstrukturen und makroökonomische Stabilität in den Ländern Südosteuropas, der Türkei und in den GUS-Staaten,« Frankfurt School Working Paper No. 122, Frankfurt a. M.