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# From Financial Crash to Debt Crisis

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### Article Information

#### Abstract

Newly developed historical time series on public debt, along with data on external debts, allow a deeper analysis of the debt cycles underlying serial debt and banking crises. We test three related hypotheses at both "world" aggregate levels and on an individual country basis. First, external debt surges are an antecedent to banking crises. Second, banking crises (domestic and those in financial centers) often precede or accompany sovereign debt crises; we find they help predict them. Third, public borrowing surges ahead of external sovereign default, as governments have "hidden

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[Replication Package \(4.77 MB\)](#)

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## JEL Classification

**E44** Financial Markets and the Macroeconomy

**F34** International Lending and Debt Problems

**F44** International Business Cycles

**G01** Financial Crises

**H63** National Debt; Debt Management; Sovereign Debt

**N20** Economic History: Financial Markets and Institutions: General, International, or Comparative

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