



## LEMMA

Laboratoire d'économie  
mathématique et de  
microéconomie appliquée

### SÉMINAIRE

# WHEN MONEY DIES : THE DYNAMICS OF SPECULATIVE HYPERINFLATIONS

**25 mai 2023**

**Lemma - Salle Maurice Desplas 4 rue  
Blaise Desgoffe 75006 PARIS**

Séminaire du Lemma

Le [LEMMA](#) organise un séminaire, sur le thème « *When money dies: The dynamics of speculative hyperinflation* » le jeudi 25 mai à 11h.

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Résumé :

*How fast can a fiat money become valueless? I answer this question by characterizing in closed-form speculative hyperinflation equilibria in continuous-time monetary economies. In the Shi (1995) and Trejos and Wright (1995) models, fiat money can become valueless in finite time. The lifespan of a money is shorter when its velocity is high and agents are impatient. The insights generalize to economies with divisible money. A high money growth rate raises the pace of speculative hyperinflation while seller's market power reduces it. If agents can adopt a foreign currency, an economy under speculative hyperinflation can achieve full dollarization in finite time.*

