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Nota di contenuto	Contents; 1. Introduction; 2. Theoretical Model: Basic Set-up; 3. Complete Information; 3.1. Centralization; 3.2. Institutional Arrangements in Practice; 3.3. Separation; 3.4. Centralization versus Separation; 4. Incomplete Information; 4.1. Stage 1: Centralization versus Separation; Figures; 1. Timetable; 4.2. Stage 0: Centralization versus Separation; 5. Comparative Analysis Under Incomplete Information; 5.1. Simulation of Stage 0 Parameters; 2. Simulation of Stage 0 Parameters; 5.2. The Trade-off Between Reserve Accumulation and Credibility Building; 5.3. Centralization versus Separation 5.3.1. Macroeconomic Stability3. Macroeconomic Stability - Centralization versus Separation; 5.3.2. Reserve Targeting; 4. Reserve Targeting - Centralization versus Separation; 5.3.3. Discussion; 6. Concluding Remarks; References; Appendix; Proof of Proposition 1; Proof of Corollary 1
Sommario/riassunto	Official accumulation of foreign reserves may be perceived as interventions to influence the exchange rate, undermining the credibility of floating exchange rates and inflation targets. This paper develops a theoretical framework to study the interaction between reserve accumulation and monetary policy. The model uncovers a trade-off between the speed of reserve accumulation and anti-inflationary credibility. Under reasonable assumptions, delegation of intervention and monetary policy decisions to separate government agencies allows faster reserve accumulation, while centralization of these decisions results in a more stable economy. The analysis underscores the importance of rather overlooked institutional features of policymaking in open economies.