1. Record Nr. UNINA9910788689503321

Autore	Leiderman Leonardo
Titolo	Inflation Targeting in Dollarized Economies / / Leonardo Leiderman, Rodolfo Maino, Eric Parrado
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2006
ISBN	1-4623-1953-X 1-4527-7839-6 1-283-51901-1 1-4519-8316-6 9786613831460
Descrizione fisica	1 online resource (22 p.)
Collana	IMF Working Papers
Altri autori (Persone)	MainoRodolfo ParradoEric
Soggetti	Anti-inflationary policies - Developing countries Currency substitution - Developing countries Monetary policy - Developing countries Banks and Banking Foreign Exchange Inflation Price Level Deflation Monetary Policy Currency Foreign exchange Macroeconomics Banking Exchange rates Real exchange rates International reserves Foreign exchange intervention Prices Foreign exchange reserves Peru
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa

Livello bibliografico	Monografia
Note generali	"June 2006."
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	""Contents""; ""I. INTRODUCTION""; ""II. HOW DOES DOLLARIZATION AFFECT MONETARY POLICY?""; ""III. THE RECENT MONETARY EXPERIENCES OF PERU AND BOLIVIA""; ""IV. MONETARY POLICY TRANSMISSION""; ""V. REACTION FUNCTIONS""; ""VI. CONCLUDING REMARKS""; ""REFERENCES""
Sommario/riassunto	The shift to inflation targeting has contributed to the relatively low inflation observed in some emerging market economies although, as noted by many economists, the preconditions required for a successful implementation were not in place. The existence of managed exchange rate regimes, a narrow base of domestic nominal financial assets, the lack of market instruments to hedge exchange rate risks, together with fear of floating and dollarization, have been stressed as factors that might weaken the efficacy of monetary policy. By examining various aspects of monetary transmission and policy formulation in two highly dollarized economies (Peru and Bolivia) vis-à-vis two economies with low levels of dollarization (Chile and Colombia), we found that, while dollarization imposes differences in both the transmission capacity of monetary policy and its impact on real and financial sectors, it does not preclude the use of inflation targeting as a policy regime.