

1. Record Nr.	UNINA9910791045503321
Autore	Cordella Tito
Titolo	Reserve Requirements in the Brave New Macprudential World // Cordella, Tito
Pubbl/distr/stampa	Washington, D.C., : The World Bank, , 2014
ISBN	1-4648-0213-0
Descrizione fisica	1 online resource (48 pages)
Collana	A World Bank Study
Disciplina	332.414
Soggetti	Money supply Monetary policy Capital movements Foreign exchange rates Business cycles
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references at the end of each chapters.
Nota di contenuto	Front Cover; Contents; Preface; Acknowledgments; About the Authors; Abbreviations; Executive Summary; Chapter 1 Introduction; Chapter 2 Stylized Facts; Which Countries Have Used Reserve Requirements as a Macroeconomic Stabilization Tool?; Figures; Figure 2.1 Frequency of Changes in Reserve Requirements (1970-2011); What Have Been the Cyclical Properties of RR as a Macroeconomic Stabilization Tool?; Figure 2.2 Active versus Passive Reserve Requirement Policy (1970-2011); Figure 2.3 Frequency of Changes in Reserve Requirements (2005-11) Figure 2.4 Cyclicity of Reserve Requirement Policy (1970-2011)Figure 2.5a Cyclicity of Reserve Requirement Policy (1970-2004); Figure 2.5 b Cyclicity of Reserve Requirement Policy (2005-11); How Is RRP Related to the Credit Cycle?; Figure 2.6 Correlation of Private Credit with GDP (1970-2011); What Is the Relation between RRP and Monetary Policy?; Figure 2.7 Private Credit for Developing Countries (1970-2011); Figure 2.8 Cyclicity of RRP versus Private Credit (Active Countries, 1970-2011); Figure 2.9 Cyclicity of Interest Rate Policy (1970-2011) Figure 2.10a Cyclicity of Interest Rate Policy (1970-2004) Figure 2.10 b Cyclicity of Interest Rate Policy (2005-11); Tables; Table 2.1 Policy Mix Matrix (1970-2011); How Does Foreign Exchange Market

Intervention Fit into the Picture?; Table 2.2a Policy Mix Matrix (1970-2004); Table 2.2b Policy Mix Matrix (2005-11); Figure 2.11 Cyclicity of International Reserves (1970-2011); Figure 2.12 Monetary versus Foreign Exchange Market Intervention Policy (1970-2011); Figure 2.13 RRP versus Foreign Exchange Market Intervention (1970-2011)
Chapter 3 An Illustration of Policy Responses for Four Latin American Countries Figure 3.1 Policy Response to a Real GDP Shock (One Standard-Deviation Shock); Figure 3.2 Policy Response to a Nominal Exchange Rate Depreciation Shock; Boxes; Box 3.1 The Narrative Approach to Identification; Chapter 4 Policy Rationale; The Need for a Second Instrument; Figure 4.1 Cyclicity of Nominal Exchange Rates (1970-2011); Why Do RR Often Serve as the Second Instrument?; Figure 4.2 Monetary versus "Currency Defense" Policy (1970-2011); Which Country Characteristics Explain Different Policy Mixes? Figure 4.3 Relative Effect of Reserve Requirement versus Monetary Policy Table 4.1 Currency Crises and Policy Mix; Table 4.2 Credit and Policy Mix; Table 4.3 Capital Account Openness and Policy Mix; Chapter 5 Microprudential Effects of Business Cycle Management; Box 5.1 Macroprudential Policy in Emerging Markets: The Cases of Brazil and Turkey; Tradeoffs over the Business Cycle; Chapter 6 Policy Tensions and Tradeoffs; Chapter 7 Policy Conclusions; Bibliography; Back Cover

Sommario/riassunto

Using a new, large data set on quarterly reserve requirements for the period 1970-2011, this paper provides new evidence on the use of reserve requirements as a countercyclical macroprudential tool in developing countries. The appeal of reserve requirements lies in the pro-cyclical behavior of the exchange rate over the business cycle in developing countries. This enormously complicates the use of interest rates as a countercyclical instrument (because of its effect on the exchange rate) and calls for a second instrument. The paper suggests that conflicts may arise between the microprudential and macroprudential policy stances.
