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Nota di contenuto	<p>Contents; I. Introduction; II. Taking Stock of Banking Crises in Latin America; A. Defining Banking Crises; B. The Roots of the Crises; Figures; 1. Capital Flows and Banking Crises in Latin America; 2. Financial Reform and Banking Crises in Latin America; 3. Real Effective Exchange Rate and Banking Crises in Latin America; 4. Banking Crises and Real Credit Growth; C. Some Stylized Macroeconomic Facts Accompanying Banking Crises; Tables; 1. Banking Crises in Latin America and Relevant Macro-Financial Features; III. The Role of Central Banks in Banking Crises in Latin America</p> <p>A. Intensive Use of Central Bank Money 2. Modalities of Monetization of Banking Crises; 5. Large Banking Crises in Latin America-Selected Episodes; B. The Role of the Institutional Framework; 6. Minor and Moderate Banking Crises in Latin America-Selected Episodes; 3. Institutional Framework behind Banking Crises in Latin America; Boxes; 1. Large "Monetization" of Banking Crises in Selected Countries; 2. Effective Episodes of Bank Restructuring and Resolution in Selected Countries; IV. Macroeconomic Repercussions; A. On Monetary Policy; 3. Banking Crises and Monetary Policy</p> <p>7. Performance of the Money Multiplier in the Midst of Banking Crises in Latin America B. On Macroeconomic Stability; 4. Pair-Wise Correlations Between Selected Variables; 8. Banking Crises and Central Bank Money; 9. Central Bank Money in Banking Crises and Currency Depreciation; 10. Central Bank Money in Banking Crises and Fall in International Reserves; 5. Monetization of Banking Crises, Inflation, and Economic Growth; V. Lessons and Concluding Remarks; Appendix; I. Sample of Episodes of Banking Crises in Latin America from 1990 to 2006-Stylized Facts and Policy Response; References</p>
Sommario/riassunto	<p>This paper reviews the nature of central bank involvement in 26 episodes of financial disturbance and crises in Latin America from the mid-1990s onwards. It finds that, except in a handful of cases, large amounts of central bank money were used to cope with large and small crises alike. Pouring central bank money into the financial system generally derailed monetary policy, fueled further macroeconomic unrest, and contributed to simultaneous currency crises, thereby aggravating financial instability. In contrast, when central bank money issuance was restricted and bank resolution was timely executed, financial disturbances were handled with less economic cost. However, this strategy worked provided appropriate institutional arrangements were in place, which highlights the importance of building a suitable framework for preventing and managing banking crises.</p>