1. Record Nr.	UNINA9910822933403321
Autore	Ramakrishnan Uma
Titolo	The Role of IMF Support in Crisis Prevention / / Uma Ramakrishnan, Juan Zalduendo
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2006
ISBN	1-4623-9925-8 1-4527-0474-0 1-283-51690-X 9786613829351 1-4519-0871-7
Edizione	[1st ed.]
Descrizione fisica	1 online resource (33 p.)
Collana	IMF Working Papers
Altri autori (Persone)	ZalduendoJuan
Soggetti	Capital market Financial crises Balance of payments Capital account crisis Capital movements Capital outflows Crisis management Crisis prevention Currency Current Account Adjustment Economic & financial crises & disasters Exchange rate arrangements Exports and Imports Financial Institutions and Services: Government Policy and Regulation Financial Risk Management Foreign Exchange Foreign exchange International economics International Investment Long-term Capital Movements Private capital flows Short-term Capital Movements Mexico

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"March 2006."
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	""Contents""; ""I. INTRODUCTION""; ""II. BACKGROUND""; ""III. IDENTIFYING CAPITAL ACCOUNT CRISES EPISODES""; ""IV. ESTIMATION AND RESULTS""; ""V. IMF SUPPORT AND CRISIS PREVENTION""; ""VI. CONCLUDING REMARKS""; ""References""
Sommario/riassunto	This paper examines the role of IMF-supported programs in crisis prevention; specifically, whether, conditional on an episode of intense market pressures, IMF financial support helps prevent a capital account crisis from developing and, if so, through what channels. In doing so, the paper distinguishes between the seal of approval inherent in IMF support and its financing, evaluates the interaction of IMF support with economic policies, and assesses whether IMF financing has a different impact on the likelihood of a crisis than other forms of liquidity. The main result is that IMF financing helps prevent crises through the liquidity provided (i.e., money matters). However, since the effect holds even after controlling for (gross) foreign exchange reserves, stronger policies and the seal of approval under an IMFsupported program must also play a role. Finally, the results suggest that IMF financing as a crisis prevention tool is most effective for an intermediate range of economic fundamentals.