



Boom-Bust Cycles and Financial Liberalization (Paperback)

By Aaron Tornell, Frank Westermann

MIT Press Ltd, United States, 2005. Paperback. Condition: New. Language: English . Brand New Book. Analysis and evidence of how the factors that give rise to boom-bust cycles in fast-growing developing economies also enhance long-run growth. The volatility that has hit many middle-income countries (MICs) after liberalizing their financial markets has prompted critics to call for new policies to stabilize these boom-bust cycles. But, as Aaron Tornell and Frank Westermann point out in this book, over the last two decades most of the developing countries that have experienced lending booms and busts have also exhibited the fastest growth among MICs. Countries with more stable credit growth, by contrast, have exhibited, on average, lower growth rates. Factors that contribute to financial fragility thus appear, paradoxically, to be a source of long-run growth as well. Tornell and Westermann analyze boom-bust cycles in the developing world and discuss how these cycles are generated by credit market imperfections. They explain why the financial liberalization that allows countries to overcome imperfections impeding rapid growth also generates the financial fragility that leads to greater volatility and occasional crises. The conceptual framework they present illustrates this linkage and allows Tornell and Westermann to address normative questions regarding liberalization...

DOWNLOAD



READ ONLINE
[4.67 MB]

Reviews

Very good electronic book and valuable one. It is actually written in basic words instead of difficult to understand. I discovered this ebook from my i and dad encouraged this publication to discover.

-- Prof. Jevon Frami

I just started off reading this article pdf. It is probably the most remarkable ebook we have gone through. It is extremely difficult to leave it before concluding, once you begin to read the book.

-- Jeanette Kreiger