

ABSTRACTS - RESÚMENES

¿Por qué los Países Flotan de la Manera Como Flotan?

Ricardo Hausmann, Ugo Panizza and Ernesto Stein

Los países clasificados por tener sistemas de tipo de cambio flotantes (o bandas muy anchas) ostentan patrones de conducta notablemente diferentes. Mantienen niveles de reservas internacionales muy distintos, y permiten volatilidades muy diferentes en lo que se refiere a la tasa de cambio, si se les compara con aquellas que toleran para el nivel de reservas o las tasas de interés. El trabajo documenta estas diferencias y ofrece un modelo que las explica como la respuesta óptima de un Banco Central que intenta minimizar una función de pérdida normal, dentro de un ambiente marcado por empresas con restricción de crédito y mercados incompletos los cuales limitan su capacidad de evitar los desajustes (o desigualdades) cambiarios. Este modelo sugiere que las diferencias en el patron de flotacion se relacionan con las discrepancias en los mecanismos de transmision de los niveles cambiarios y la habilidad de evitar las desajustes cambiarios. Las pruebas señalan una relación muy fuerte y robusta entre el patron de flotacion y la habilidad de un país de pedir prestado internacionalmente en su propia moneda. La evidencia es menos convincente al relacionar tipo cambio y manejo monetario.

Palabras claves: Tasa de Cambio, Mercados Emergentes, Dolarización.

Bank Systems and Globalization. Venezuela Experience

Sary Levy carciente

The following paper discusses the group of transformations of the financial systems as a result of the globalization processes to evidence the challenges for less developed countries of being syntonized with these changes. It is made special mention to the Venezuelan experience.

Key words: Financial Macroeconomics, Financial System, Banking System, Financial Globalization, Venezuela.

Vulnerability in the Face of Exchange Rate Changes: the Venezuelan Case

Humberto García Larralde

The present article explores the reasons that might explain the vulnerability of the Venezuelan economy to exchange rate crises, either by contagion or self caused. For this purpose the paper takes a brief look at some theoretical aspects that explain these crises as the result of desarrangements in economic fundamentals. Likewise, it reviews some recent studies that try to explain the reasons of contagion of exchange rate crises among different countries. This theoretical survey is then illustrated with a brief summary of the Mexican and Argentinean crises of 1994/95 and of the more recent East Asian crisis of 1997/1998. Excessive exposure to foreign short term capital investment strikes out as a common factor in these cases, albeit due to different causations. An assessment is then made to see if Venezuela fits in with these experiences, only to discover that the bolívar is overvalued due to oil rents, not to foreign investments, and that the Venezuelan economy is much less exposed to short term capital flight and has a stronger backing of monetary aggregates in foreign reserves than other Latin American countries of similar or greater size. The article concludes that the vulnerability of the Venezuelan economy to a possible exchange rate crisis depends basically on the collapse in oil prices, which triggers domestic capital flight rather than of indirect foreign investment. It also argues that implementation of orthodox macroeconomic policies has very much to do, in this respect, with recent capital account deficits.

Key Words: Crises Exchange, Venezuelan.

On monetary policy in a small, open economy, with special reference to Venezuela.

Luis Mata Molleja

The predominant weight of private financial circuits (titles and credit) over the public circuits (Central Banks and IMF), together with the consequences of globalization in the real economy (transnationalization of production and labor exclusion), inevitably mean that speculation is an inherent characteristic of the system. This, in turn, means that financial crises are contagious (balance of payments interruptions and lack of credibility in the monetary system) and seriously limits the capacity for corrective actions on the part of the monetary authorities created in Bretton Woods. Faced with this situation, the author outlines the new role of the Central Bank in a small, open economy such as the Venezuelan.

Key Words: Monetary Policy, New Central Bank, Globalization, Preventive Financial Adjustments.

Convergence, a Common Currency and Dollarization: Quo Vadis?

Armando León

The discussion over convergence toward a common currency and dollarization has passed from the stage of simple academic debate and is now on the agenda of those responsible for public policies. The central issue is the exchange system because of the necessity of compatibilizing monetary aggregates with a view to achieving convergence at a macroeconomic level. In Latin America, the debate is polarized in terms of two alternatives: either the creation of a common currency for the region or the adoption of the dollar (whether unilaterally or on terms negotiated with the United States). This article sums up the actual state of the discussion and suggests some of its implications.

Key Words: Financial Globalization, Common Currency, Dollarization, Latin America.

Crónica de una crisis financiera latinoamericana: el caso venezolano, 1994-1995

Leonardo V. Vera

Entre los años 1994 y 1995 el sector financiero en Venezuela experimentó una drástica crisis que eventualmente arrasó que la mitad de la industria bancaria, creó una ola de quiebras en el sector real, distorsionó las finanzas públicas (en la medida que el gobierno asistió a los bancos con problemas), y generó una severa crisis de balanza de pagos. Este trabajo detalla los eventos que precipitaron la crisis financiera y examina la manera en que se fraguaron los problemas. El trabajo bosqueja además los factores que causaron y precipitaron el colapso financiero. Estos se resumen en tres grandes categorías: el contexto macroeconómico, el ambiente institucional, y la orientación de política. La experiencia venezolana demuestra que la presumida coherencia entre las reformas ortodoxas y la liberalización financiera no debe ser exagerada. Si las reformas generan en si mismas inestabilidad macroeconómica y son implementadas sin debido cuidado por el frágil contexto institucional las peligrosas tendencias en las operaciones de los bancos, los resultados pueden ser contraproducentes.

Palabras Claves: Crisis Financiera, America Latina, Venezuela.

Capital Especulativo Parasitario, Capital Ficticio y Crisis en Brasil

Paulo Nakatani

Este trabajo describe la relación entre el capital monetario y capital real en la crisis decencadenada al final de los 90 y sus implicaciones en la economía brasilera. Defiende la idea de que la forma de inserción de Brasil en el sistema mundial agrava sus vulnerabilidad externa, principalmente en relación a los flujos de capital especulativos parasitarios. Las medidas de política económica implantadas por el gobierno brasilero en especial aquellas dictadas por el Ministerio de Hacienda y el Banco Central de Brasil, ampliaron la dependencia y la subordinación de la economía brasilera de los intereses del capital especulativo agravando más la condición de vida de su población.

Palabras claves: Economía Real, Economía Monetaria, Mundialización Económica, Dependencia, Crisis Económica, Capital ficticio, Capital Especulativo, Brasil.

Parasitic, Speculative Capital, Fictitious Capital and Crisis in Brazil

Paulo Nakatani

This article analyzes the relationship between monetary and real capital during the late nineties' economic crisis in Brazil. It argues that the characteristics of Brazil's insertion in the world economy aggravates her external vulnerability, mainly in relation to the parasitic, speculative capital flows. The economic measures implemented by the Brazilian government, and especially those of the Finance Ministry and the Central Bank, increased the economy's dependence on, and subordination to, the interests of this speculative capital, aggravating even more the living conditions of the country's population.

Key Words: Real Economy, Monetary Economy, Dependence, Economic Crisis, Speculative Capital, Brazil.

Private Saving in Venezuela, 1968-1994: an Interpretation of the Empirical Evidence

Carlos J. Peña

After achieving high levels of growth in the period 1968-1977, private saving in Venezuela during the nineties experienced a marked tendency to stagnate. This circumstance appears to be related to the uncertainty associated with rising prices and the marked variability of the exchange rate. As a result, the article argues that private saving demonstrates a slow process of adjustment toward a

long-term equilibrium. The author underlines the necessity of private saving and its dependence on the correction of macroeconomic disequilibriums.

Key Words: Private Saving, Venezuela.

Globalization and Global Firms

Edna Esteves

This article analyzes one of the most important aspects of globalization, with special reference to Latin America: the new character of center-periphery relations as defined by the 'global firms'. It examines the complementary roles of transnational firms, mega-firms, small, medium and 'mini' firms in certain productive financial and service activities. Despite the illusion which is fomented of belonging to the 'first' world, this new strategy responds to the current global strategy of the transnationals and the developed countries.

Key Words: Globalization, Transnational Firms, Mega-Firms, Micro-Firms, Latin America.

Implications of the Inflationary Context for the Venezuelan Manufacturing Sector

Angel García, Shakyra Plaza

This article examines, for the period 1968-1997, the way in which persistent inflationary pressures affect investment decisions in the Venezuelan manufacturing sector. The results confirm the impression that financial restraints tend to contribute to the stagnation of the sector: inflation contributes to high interest rates and restricts the demand for credit and, together with the constant devaluation of the national currency, are a disincentive for investment.

Key Words: Manufacturing Sector, Inflation, Investments, Venezuela.

Analysis of the Incidence of Direct Taxes in the Overall Tax Structure in Venezuela, 1988-1997.

Tatiana Y. Lamanna C.

This article offers an analysis of the incidence of the changes introduced in the Venezuelan tax system since 1989 in terms of their redistributive effects. Two

scenarios were compared: that of 1988 (the year before the 1989 reform) and the period between 1994 and 1997. The instruments used were the Suits Index of Progressiveness, the rate of effective taxation (or individual tax pressure) and the Gini Coefficient. The results indicate that in 1994 the system was regressive, although less so than in 1988, and that in 1997 it was marginally progressive. Nevertheless, using an alternative scenario (so-called because the author compares the direct tax systems but using the income distribution corresponding to 1988, with a view to isolating a possible modification of the income distribution) it is argued that the tax reforms reduced the degree of regressiveness, although without achieving a progressive redistribution.

Key Words: Tax Incidence, Direct Taxes, Venezuela.

Gas Prospects and Its Regulations in Venezuela

Ivan Orellana

This article analyzes the prospects of the gas sector in Venezuela, as a result of the new Organic Law on Gas Derived from Hydrocarbons. The first section introduces the reader to the relevant technical language and to the international and national characteristics of the sector. It analyzes the evolution of the institutional and regulatory framework and the experience accumulated during the years of centralized regulation. The second part analyzes the variety of experiences of deregulation in the world. Finally, the author offers an analysis of the content and scope of the new law and speculates on its potential impact on the nation's economic performance.

Key Words: Gas Sector, Organic Law on Gas, Regulation Reforms, Economic Performance.