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Aspe Armella,
Dornbusch, and Obstfeld

Financial Policies and the World Capital Market: The Problem of Latin American Countries

Edited by

Pedro Aspe Armella
Rudiger Dornbusch and
Maurice Obstfeld

Financial Policies and
the World Capital Market



National
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Chicago

Financial Policies and the World Capital Market: The Problem of Latin American Countries

**EDITED BY
PEDRO ASPE ARMELLA
RUDIGER DORNBUSCH
AND
MAURICE OBSTFELD**

This National Bureau of Economic Research conference volume answers a need for a serious study of the interrelation of the world capital market and the domestic financial policies of industrializing nations. The increased integration of Latin American countries into the international capital market during the 1970s resulted in a variety of experiences that have lessons for all economists. These papers focus on the macroeconomic problems of Latin American open economies, but they have broader implications of current concern to policymakers and the international financial community.

The volume includes eleven contributed papers, an introduction by the volume editors, and a report of a panel discussion. Though the papers are diverse in subject and treatment, they share a methodological approach applicable widely. That approach is applied to a number of problems including the appropriate level of external debt, the causes and costs of "dollarization," and the response of capital flows to domestic stabilization measures. In some cases, a study of one nation is a vehicle for an econometric investigation of a particular external linkage. In other papers, the experience of a particular country suggests an economic model in which stylized data may be analyzed and developed. The volume also includes theoretical studies formulating general principles that are broadly applicable rather than specific to one country.

***Financial Policies and the World Capital Market* provides a discussion of important policy issues and research material in an area that is becoming increasingly crucial in the world economy.**

(Continued on back flap)

Financial Policies and the World Capital Market



**A Conference Report
National Bureau of
Economic Research**

Financial Policies and the World Capital Market: The Problem of Latin American Countries

Edited by

Pedro Aspe Armella,
Rudiger Dornbusch,
and Maurice Obstfeld

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Preface

The present volume is the result of the National Bureau of Economic Research Conference on Financial Policies and the World Capital Market: The Problem of Latin American Countries, held at the Instituto Tecnológico Autónomo de México in Mexico City, 26–27 March 1981.

