Latin America: Bubbles, Financial Crisis, and Problems of Development Alicia Girón¹

Latin America has experienced financial bubbles, precipitous declines in the value of its currencies, bank runs, and speculative rebounds in commodity prices during the period between 1971 and 2009. The backdrop for this period is the environment marked by the structural crisis of the capitalist system on a world level. Latin America has experienced subsequent financial crisis, the breakup of its national financial systems as part of their insertion in the international financial circuits and in some countries of the region economic development based on equity and social well-being has been postponed.

In the framework of the processes of financial deregulation and liberalization, Latin America has seen its currencies strongly devaluated in relation to international currencies and faced onerous payments on servicing its foreign debt, which led to the 1980s being characterized as the "lost decade." But this was not all, as the 1990s would be the fruit and consolidation of the privatization experiments involving both their state owned enterprises as well as their banks and even the adoption of dollarization as a monetary stabilization measure in countries such as Argentina, Ecuador, and El Salvador. This did not result in the region's financial problems being resolved, and, in fact, it faced severe bank crises during the 1990s. The beginning of the first decade of the 21st Century would bring an end to the Currency Board in Argentina and with it new monetary policy strategies would emerge that facilitated the region's economic growth in countries such as Brazil and Chile. The hopes of new governments were also set on the first decade of the new century. "Left-wing" governments that arose out of democratic processes would become consolidated in Argentina, Brazil, Chile, Ecuador, Bolivia, and Venezuela. Other countries such as Mexico, Peru, and Colombia would continue along the orthodox road of the Washington Consensus reforms. This decade would, at the beginning, be characterized by big hopes and would end with frustrated desires for more jobs and better income distribution.

This article will offer, to begin with, a brief synthesis of the characteristics of the period of monetary regulation characterized as a period of stability to then indicate the main aspects of the period of instability. Secondly, we will discuss the work of Bernanke and Gertler on the challenges of monetary policy and interest rates in economic cycles; thirdly, we will consider the period of financial deregulation and liberalization and its affect on asset speculation; fourthly, reflections will be offered on the collapse of the stock markets and their fragile recovery and fifthly, the different economic, political and social factors will be presented that sustain Latin America's economic growth model as well as the degree of

-

¹ Member of the Academy of Sciences and of the Academy of Political Economy in Mexico, member of the National Council of Science and Technology's National Researchers System (SNI), level III. Instructor in the postgraduate program in Latin American Studies and Economy. Researcher at the Institute of Economic Research (IIEc). This work is part of the project on "Financial institutions and structure: collapse and national, regional and international reorganization" financed by PAPIIT of the UNAM Office for Academic Personnel Affairs (DGAPA) and the IIEc. The author would like to thank Francisco González Munive for his support in preparing the statistical data.

difficulty that the region faces to achieve not only the millennium targets but sustained development with equity in the course of a structural crisis involving major transformations of the economic agents.

1. Periods of stability and instability

The "golden age" as Crotty characterizes it (2004) was a period of stable exchange rates, growth in GDP, and regulatory monetary standards that that facilitated the good behavior of financial intermediaries. We can pinpoint this period as between 1944 and 1971 and it encompasses the creation of financial institutions on an international level to regulate the financial circuits and to achieve financial and monetary stability with economic development. The pillars of the international monetary system were established in Bretton Woods in 1944. The International Monetary Fund (IMF) and the World Bank (WB) were the financial institutions that established the bases of the regulation of the monetary circuits and the financial markets and liquidity on a world level.

The time between 1971 and 2008 is precisely the period of financial instability. This period was marked by the prevalence of big financial bubbles, the problematic foreign debt of the underdeveloped countries, and the banking crises in the United States. The banking crises were characterized by bank runs in the 1990s and the speculative rebounds of 2001 and 2007. The crisis in tech stocks was followed by the mortgage loan crisis and with it the deepest and most complex economic and financial crisis in the past one hundred years. The basis of this crisis was the crisis in structured finances. It was precisely in this point in which the commodities of the Latin American region, crisscrossed with derivates and the futures markets, not only saw their prices diminish in the international market but also such price movements had an impact on governments' fiscal revenue and public spending. The deep focus of the region's development model on the export market with primary products put the so-called six year period of success -2002-2008- up for discussion. During this sixyear period, growth rates higher than the average of three decades ago were maintained, thanks to the speculation in Latin American commodities. This crisis has been as deep as or deeper than the 1929 crisis. The current crisis is ending with the closing of the financial investment intermediaries and with the proposal of banking regulations to oversee the big banks that are "too big to be allowed to go under" and to avoid bubbles and bank runs on a world level in the immediate future.

2. Monetary policy and volatility in asset prices

More than a decade ago, Ben Bernanke and Mark Gertler presented the report "Monetary Policy and Asset Price Volatility" at the symposium "New Challenges for Monetary Policy" ² organized by the Federal Reserve Bank of Kansas City in 1999. The main aim of this study was to present the idea that inflation was now, at around the end of the 1990s, under the control of the central bank. However, asset price volatility reflected prevailing financial instability. Given this panorama, the battle that the central banks would face

 $^{^2}$ The Federal Reserve Bank of Kansas City organized this seminar in Jackson Hole, Wyoming on August 26-28.

would be centered on fixed asset and stock prices in several industrialized countries. These bubbles had been occurring since the 1980s in the United States, Japan, Great Britain, the Netherlands, Sweden, and Finland. In this atmosphere of volatility in asset prices, monetary policy would tend to play a major role. The recurring economic and financial crises that have taken place in both the Latin American countries as well as the Southeast Asian nations had to do with the handling of the monetary policy implemented in those years and its relation, naturally, with how interest rates were managed. As if they were some sort of fortune-tellers, Bernanke and Gertler, authors of this study declared, more than a decade ago that "...whether the U.S. stock market boom will be sustained or will end in tears is anybody's guess." They then went on to affirm that "...to be clear, we agree that monetary policy is not by itself a sufficient tool to contain the potentially damaging effects of booms and busts in asset prices." (Bernanke and Gertler, 1999: 23).

The volatility in share prices could not only be explained by a restrictive monetary policy but also was due to other factors. Therefore, the need to establish inflation targets that would keep asset prices stable and volatility down in share prices was a conventional precept of all central banks. This practice has indeed been followed by all the central banks in Latin America through the present and even in many countries where strong stimuli were provided to the economy. Inflation targets are a priority in central bank decisions even though maintaining a monetary policy exclusively to keep prices stable would lead to high unemployment rates and layoffs, which are in themselves one of the main causes of migration.

It is very important to couple this with deregulation as a practice to avoid speculative irrationality on the part of investors. This irrationality arose through the process of the opening of the capital account in many Asian and Latin American countries. Subsequently, they were immersed in a balance of payments crisis and as a result, in banking crises. It was precisely in this period of the opening of the capital account when the crises of the 1990s erupted, specifically, the crisis of the winter of 1994-1995 in Mexico and the Asian crisis of 1997-1998, followed by the crisis in Russia and the resulting loss of the Long Capital Term Management fund in these years. In this same period Venezuela and Brazil would experience strong bank runs that ended up by bringing down their banking systems.

3. Deregulation, liberalization, and asset speculation

The financial deregulation and financial liberalization deepened not only speculation in companies' assets but also speculation sparked by and spread by the banks to obtain higher profits. For Kregel (2008:5) the losses in U.S. commercial banks during the 1980s as a result of the moratoriums and continual renegotiations of the foreign debts of Latin American countries chipped away at the restrictions of the Glass-Steagall Act 1933. The deregulation and financial liberalization was accompanied by a package of financial reforms established based on the Basle I Accord (1988), the Gramm-Leach-Bliley Act (1999), and the Basle II accord (2004). Financial innovation together with banks' off balance sheet transactions laid the basis for the growth of synthetic and traditional derivative operations.

In the period between 2002-2008, the contraction in credit was preceded by an explosion of short-term loans, which in the case of Lehman Brothers and Bear Stearns increased from

500 billion to 1.6 trillion dollars. Share prices tripled in less than six years. Of course, when the share prices began to drop, the collateral that underpinned them accelerated their collapse. This led the crisis that began at the end of the 2006 as a subprime or mortgage loan crisis to expand to different banks that had wagered on growing earnings in the loans bundled by a series of stocks whose collateral was not based on tangible properties. It should be mentioned that even the operations with over the counter derivatives were not subject to any maximum limit (BIS, 2004:20).

Therefore, the processes of financialization and securitization completely established through financial liberalization and deregulation led to speculation and a régime of financial accumulation as defined by Chesnais (2000). Given this situation, it would be worthwhile to ask whether the monetary and financial policy implemented up until before the collapse of Lehman Brothers was adequate for structuring the market for securities issued as a result of the financialization process.

What role does all this play in Latin America? The answers are in the privatization of state owned enterprises and financing for private companies. More than undertaking major investments in the region, the big Latin American companies centered their efforts on financial speculation, which provided them with large profits in the corresponding financial circuits. It is interesting to note how gross capital formation posted very erratic growth rates. During the 1990s, the average rate of growth for gross capital formation was 5.7 percent. There were even years when the figure was -7.6 percent and in 1999 the rate was equally negative, dropping to -8.7 percent. The trend was negative for the end of the 1990s and the beginning of the first decade of the current century. This was so pronounced that between 1999-2003 the average growth rate for gross capital formation was a negative -2.6 percent and between 2004-2008 the corresponding figure was 10.9 percent in the red.

4. Fall and return to equilibrium in the capital market

Following a fall in share prices that started in mid-2007 and that we could say hit bottom in March 2009, the hoped for recovery has begun. So much so that stock market indicators such as share prices have begun a brief recovery that points to a long-term recovery. However, the evolution of the crisis and its deepening indicate an unprecedented situation. Meanwhile, gold prices continue rising, commodity prices keep increasing, and together with it, unemployment in the United States has grown to two digits.

The turnaround in some emerging markets such as China and Brazil can be interpreted as a harbinger of new bubbles in the financial markets. An example of this is that in less than one year the price of gold has risen almost 50 percent and the Shanghai stock market index has jumped 75 percent (data at the beginning of 2010). Oil prices are again sparking turbulence in the derivatives markets and food prices are once more spiking. But parallel to this inflationary boom in assets that could result in a new bubble with more aggressive declines than at the beginning of this year, a moratorium was declared for close to 60 billion dollars in Dubai, a city that up until the crisis had been a refuge for real estate companies and new architectural projects as a result of growing oil profits. At the same time, with the recovery, it is indispensable to regulate the secondary markets, repo operations, and derivative transactions.

The crisis that the international financial system is experiencing has not ended and the threat of massive bankruptcies of banks continues to persist to this day. As this article is being written, Portugal, Ireland, Greece, and Spain are the subject of debate in the financial market given the fall in their securities and the leveraging of their economies. These were economies that until before the crisis enjoyed sustainable development and have since fallen into the hands of financial speculation.

The Group of 20's Financial Stability Board drafted a list of 30 banks and insurance companies with "systemic risk" (Financial Times, 2009). The list includes banks and insurance companies that should be supervised to prevent future systemic crisis. Included are the U.S. firms Goldman Sachs, Morgan Stanley, Bank of America, Merrill Lynch, and Citigroup; the Royal Bank of Canada; the Swiss UBS and Credit Suisse; the French Société Générales and BNP Paribas; the Japanese entities Mizuho, Sumitomo, Mitsui, Nomura, Mitsubishi UFJ; the Italian UniCredit and Banca Intesa; the German Deutsche Bank; and the Dutchman ING. Among the financial intermediaries are Santander Central Hispano (BSCH) and Bilbao Vizvaya Argentaria from Spain; and the British HSBC, Barclys, Royal Bank of Scotland, and Standard Chartered. Also included are six insurance companies: Axa, Aegon, Allianz, Aviva, Zurci, and Swiss Re.

The debate that is currently underway between economists from the U.S. Federal Reserve and those from the central banks of Europe, Great Britain, and Japan is over whether rescue packages should continue to be granted to financial institutions that are still not stabilized after their having been granted close to three trillion dollars or if it would be better to allow them to go under without any further consideration. There are three important reasons to emphasize. First, the assessment of the capitalization of the financial companies has been expressed in the turnaround in share prices. Second, it will be difficult in the short term for the productive sector to return to the situation that prevailed before the fall of the stock markets at the end of 2006. Finally, we face a public debt that following a period of monetary expansion has spurred the economy to rebound but thus far not sufficiently to be able to argue that the crisis has been overcome but rather to think that we could be on the verge of a new fall in production as well a turnaround in stock market indicators.

One of the conclusions that we can draw from the stage of euphoria and then the financial collapse concerns the perceptions of the future. But beyond this, it is of vital importance to return to the writings of Keynes and Minsky as well as to recognize the economic and financial history of capitalism. The crises are inherent to the capitalist system and therefore the function of the central bank is not control of inflation such has been the case based on the bank's autonomy but in seeking through monetary policy to deal with the economic cycles and financial instability and decrease uncertainty concerning the economic future.

5. Impact of the Financial Crisis in Latin America

Among the main reasons and, in fact, in the top of the list, is that the region has been and will continue to be, at least during next few years, an exporter of primary products. The growth experienced by Latin America from 2002-2008 is not likely to be repeated during the next few years. The high prices of its exports were the result, to a large extent, of financial speculation and in part were due to demand from the emerging economies. This led the region to be tied up in the strong speculation in the financial commodities markets,

which continue to be the main export line for Latin American countries. Secondly, the loss of sovereignty of the region's central banks does not allow for monetary policies that contemplate the use of employment as their main anti-cyclical strategy. Thirdly, the degree of foreignization of its banking systems does not respond to the credit needs of the economic agents but rather corresponds to the degree of profitability resulting from the supply of non-productive financial services. Fourthly, public or development banking, conceived of to finance the public sector, the large infrastructure work projects, and a country's development has been displaced by commercial banks, foreign banks, and the capital markets during the past three decades. Finally, the region's higher degree of competitiveness would have to be sustained in an increase in public spending on health, education, health and survival, housing and the creation of new jobs; just the opposite has occurred with monetary stabilization policies, which have had an impact precisely in the social expenditures of the Latin American countries.

The previous explanations will be further developed in the following eight points.

First: in speaking of the Latin American economic context during the course of the past few years it is important to analyze the figures contained in the Economic Study of Latin America and the Caribbean (ECLAC, 2008-2009). This publication points out that the region has grown during the past five years at an average rate of close to five percent. This implies per capita annual GDP growth of three percent. At the same time, unemployment and poverty diminished. In addition, remittances occupied an important place in family income during this period. And, finally, fiscal and monetary policy based on the Washington Consensus maintained the macroeconomic equilibrium. However, the report Preliminary Overview of the Economies of Latin America and the Caribbean (ECLAC, 2009) explained that these results "... will not be repeated in 2009, however. Growth projections for next year are significantly lower than for the period that is now coming to a close. In view of this situation, the governments of the region should make every effort to deploy countercyclical policies in order to ward off an even sharper economic decline." One year later, in 2009, the economic growth rate of Latin America and the Caribbean was -1.8 percent. That is, the reality outstripped the ECLAC's projections of 1.9 percent GDP growth for 2009, which assumed a relatively optimistic evolution of the crisis.

During the 2003-2008 period, the regional unemployment rate fell from 11.00 percent to a level of 7.40 percent in the context of an increase in informal sector activity. In 2009 unemployment increased almost one percentage point, to 8.30 percent. For 2010, the unemployment rate presents a none too encouraging panorama.

At the same time, the evolution of international food and energy prices points to a pronounced downturn in inflation, which could fall from 8.5 percent in 2008 to around 6 percent in 2009 (CEPA, 2008:1). This implies lower export revenue flows, a strong fall in remittances, which are mainly sent from the United States and Spain and, in direct investments from the developed countries. What all this demonstrates in the final analysis is the fragility of the Latin American economy in the evolution of world economic development. Countries' insertion in the international market is unquestionably defined mainly by their exports in world trade but also by the strong dependence on capital flows, which, given the global panorama, have fallen, deepening the region's structural fragility.

Second: the region is an exporter of primary products since its insertion in the world market. It has not managed to undertake the technological changes necessary to invest in productive projects to the point of being able to satisfy both its domestic market as well as to ensure a more equitable insertion in the world market. This has led the region to depend on the international prices of its own exports as defined in the Chicago Board of Trade. This is the case to such an extent that the relative rise in prices of the region's exports in the recent period corresponds to the strong speculation in the financial commodities markets, in which such goods continue to be the main line of Latin American countries' exports. The data that the ECLAC provides for fiscal revenue received by the oil-exporting countries are quite considerable. "For example, in countries, such as the Bolivarian Republic of Venezuela, Ecuador and Mexico, 30% or more of total revenues comes from oil production, while Bolivia derives the same percentage of revenues from gas exploitation. Argentina, Chile, Colombia and Peru also receive substantial revenues from the exploitation of their natural resources, in these cases to the tune of 18% on average. In these cases, revenues have become very unreliable since oil, gas, copper and food prices have been extremely volatile in recent months. A look at the pattern of fiscal inflows in the eight countries referred to above shows that income from the exploitation of these types of resources is much more volatile than revenue generated from other sources. (ECLAC, 2008: 39)." The ECLAC itself predicts a fall in these countries' fiscal revenue from 24.7 percent of the product in 2008 to 22.3 percent for 2009.

Third: it is important to mention that in undertaking the financial reform in the framework of the Washington Consensus, the objective of the central banks to provide follow-up to the economic development of their countries changed for the goal of fiscal balance and zero inflation. These policies forced some countries to adopt the dollarization of their economies and even to maintain exchange rate policies that overvalued the domestic currency in relation to the greenback. The loss of sovereignty of the central bank was evident in Argentina and Ecuador. This has not allowed for monetary policies that would contemplate using employment as the main prop for growth. That is, the function of the central bank as "employer of last resort" has not materialized and what is behind the discourse is more a policy to create jobs via foreign investment, via exports and, lastly, welcoming remittances from countrymen living abroad that have considerably improved the income of the families that remained behind. What the ECLAC report (2008) points to in relation to Latin American countries not wishing to implement anti-cyclical policies is quite dangerous. The Report states that "...Lastly, exercising caution in response to the international situation, (since September 2008) most of the region's banks have kept their monetary-policy interest rates unchanged. Faced with a possible fall in inflation in the first half of 2009, some countries' central banks may cut their interest rates, and this became more likely after the United States Federal Reserve lowered its monetary-policy rate in mid-December. Against the background of the crisis, the effectiveness of kick-starting the economies of the region through monetary-policy rate cuts needs to be re-examined; it appears that such an approach has failed to produce the desired results in the case of the developed countries (ECLAC, 2008: 55)." If we consider inflation rates in countries such as Argentina, Brazil, Chile, and Mexico, the growth in prices has been marked by a downtrend. The spectacular case is Venezuela, in which the country has posted an inflation rate of 27.77 percent on average during the past three years, 2007-2009.

Fourth: Given the conjunctural boom in the Latin American region, what was it that the countries did?, did they create more jobs?, did they increase public spending? If we consider the region's unemployment data we see that after having reduced the unemployment rate to almost 7.0 percent it rose to 8.3 percent in 2009 (ECLAC, 2008-2009). In Latin America "... Since the beginning of the price-boom cycle, one of the most controversial issues has been the way in which fiscal authorities have used non-recurring receipts. The reactions have been diverse. Several countries reduced their external public debt, the central banks increased their reserves and set up special funds both at home and abroad to which part of the surplus was credited....a change (occurred) in the central government debt/GDP ratio between 2002, the year just before commodity prices started to soar and the average for 2007-2008. As can be seen, the vast majority of countries reduced their debt/GDP ratio between those two years, thanks to liability restructuring, the generation of primary surpluses, debt relief under the Heavily Indebted Poor Countries Initiative and the impact of growth during this period. Some fiscal space was created initially in such cases, to deal with a possible deterioration in the external situation. Nevertheless, in some countries, the procyclical mechanisms applied in administering public revenue and expenditure have at times resulted in significant expansions that would be unsustainable in a context where prices on international markets are less buoyant. Fiscal authorities that were in fact able to create fiscal space will clearly be in a better position to deal with the impact of the external turmoil while maintaining sustainable fiscal accounts in the medium term. Those that were not able to do so will have less margin for manoeuvre and will find it more difficult to face the different fiscal-policy challenges. This analysis reveals that the countries that did not benefit from the commodity price cycle, which have low tax burdens and high levels of poverty will be those facing the most serious problems in coping with the worsening international situation (ECLAC, 2008:42)."

Fifth: public or development banking, conceived of to finance the public sector, the large infrastructure work projects, and the country's development have been displaced by commercial banks, foreign banks, and the capital markets, whose objectives responded to private interests and non-priority aspects of economic development. Nevertheless, today they are few public banks that continue directing and accompanying the priority needs of development financing, although such continues to be the case with the Banco de la Nación in Argentina and the Banco Nacional de Desarrollo Económico Social (BNDES) in Brazil. Although, "efficiency" and financial "profitability" have became the new paradigm for development financing, at the same time the financial reform deepened structural changes in the Latin American financial systems (Girón, 2006:35) during the 1990s. The transformations of public and development banking are only perceived in the course of financialization, expressed as the process where the profitability of financial capital through financial innovation surpassed the operations of the financial system based on non-bank financial intermediaries. The development banks controlled 40 percent of the assets in the developed nations and 65 percent in the underdeveloped countries in the 1950s and 1960s. Subsequently, control of such assets diminished to 25 percent and 50 percent respectively in the 1980s and 1990s. As of the 1980s and 1990s, financing via securitization through mutual funds, hedge funds, pension funds, insurance companies and non-institutional investors became the major sources of credit on a macroeconomic level. The financial markets imposed their will on the international financial institutions. On a micro-economic level the expression of financialization was also reflected in social banking sponsored by non-financial intermediaries whose profitability through micro-finances indicates the crisis of development financing. On the one hand, even though the priority of micro-finances was to reduce poverty, on the other hand, its profitability was nevertheless considerable.

Finally, the region's higher degree of competitiveness would have to be sustained in increased public spending on education, health and survival, housing, and job creation. Today, development and gender are not only measured in function of the gap existing between men and women but also in relation to the opportunities that the state and society offer to their inhabitants based on job possibilities. The World Economic Forum (WEF) states that "The most important determinant of a country's competitiveness is its human talent-the skills, education and productivity of its workforce, key elements for closing the gap between men and women. As if our starting point is that women account for one-half of the potential talent base throughout the world," (World Economic Forum, 2007:19) therefore opportunities must exist for them on an equal basis with their male counterparts.

In analyzing the economic indicators formulated by the World Economic Forum report it can be seen that it is education, health, and job opportunities as well as women's participation in public life that will allow the gender gap to be closed and make a country more competitive. At the same time, knowledge society is based on the generation of knowledge, information, and productivity in companies and regions, where the wealth of "human talent" is indispensable and necessary. Education, health, and employment are the result of monetary, fiscal, and financial policies that from the vantage point of post-Keynsian theory allow for an improvement in the macroeconomic indicators. On many occasions bad public policies prevent an improvement in social welfare and, in fact, exacerbate unemployment, social violence, and the decomposition of the state's institutions.

6. Conclusion

As a general conclusion, it is important to mention that the axis of Latin American development has been centered on international trade. That is, since the encounter of the two worlds five centuries ago, economic, political, and social interests have been centered on the axis of accumulation in the metropolitan countries. This has been the case throughout the history of our region.

Economic development responds to the needs of international trade and the interests of the big international financial consortia that dominate the region. Mariátegui, in his study Seven Interpretive Essays on Peruvian Reality (1928) dialectically constructs the development of Latin America throughout its history from the colonial conquest, independence, to the years prior to the 1929 crisis. In the historical reconstruction, the interests of the different social classes that hold economic power as well as the needs of the process of capitalist accumulation to which the Latin American region responds unquestioningly dissipate. The insertion of the countries of the region into the world market will undeniably determine the rules of economic development.

The State guarantor of this transition from pre-capitalist to capitalist economies will regulate both the issuing of money as well as economic policies defining a style of Latin American development. Therefore, the region's development is being built on the bases of the heterogeneity of the economic, political and social structures of each nation. Despite the

diversity, the Latin American countries signed the Bretton Woods Agreements in 1944 and subsequently in the framework of the Economic Commission for Latin America (ECLAC) of 1948 they agreed on common policies for the region. There is no doubt that the years of greatest growth for the region were from the end of the 1940s to the 1970s. However, in response to the first manifestations of monetary crises in the 1970s and the foreign debt crises in the 1980s guidelines for development were sought based on the agreements established with the International Monetary Fund (IMF). It can even be affirmed that the Washington Consensus was part of the agreement to achieve economic stability and growth. The successive financial crises that the region experienced during the past four decades are a sign of the failure of this latter stage. Latin America's insertion in the globalization process deepened. Therefore, in response to the world crisis currently underway, reflection is important on both the region's development, its insertion in the world market, and the possibilities of opportunities to move forward.

7. Bibliography

Bernanke, Ben y Mark Gertler (1999), "Monetary Policy and Asset price Volatility" in Economic Review, Federal Reserve Bank of Kansas City, fourth quarter (www.kc.frb.org).

Bank for International Settlement (2004) *International convergence of capital measures and capital standards*, Basel Committee on Banking Supervision, Basel, Switzerland.

CEPAL/ECLAC Economic Commission for Latin America (2008), *Preliminary overview of the economies of Latin America and the Caribbean*, 2008, Santiago, Chile. http://www.eclac.org/cgi-

bin/getprod.asp?xml=/publicaciones/xml/5/34845/P34845.xml&base=/tpl/top-bottom.xs

CEPAL/ECLAC Economic Commission for Latin America (2010), *Statistical Yearbook* for *Latin* America *and the Caribbean*, United Nations, Santiago, Chile.

CEPAL/ECLAC Economic Commission for Latin America (2009), *Economic Study of Latin America and the Caribbean* (CEPAL, 2008-2009).

Chesnais, François (2000), ¿Crisis financieras o indicios de crisis económicas características del régimen de acumulación actual?, in *Las Trampas de las Finanzas Mundiales*, Chesnais, François and Dominique Plihon (Coordinadores) Akal, Madrid.

Crotty, James (2004), "Competencia Destructiva y mercados financieros" in Correa, Eugenia and Alicia Girón *Economía Financiera Contemporánea* (Coordinadores) Vol. II, Miguel Angel Porrúa, Mexico City

Financial Times (2009), November 30.

Girón, Alicia (2006), "Obstáculos al Desarrollo y Paradigma del Financiamiento en América Latina", in *Reforma Financiera en América Latina*, Correa, E., A. Girón. CLACSO, Consejo Latinoamericano de Ciencias Sociales, Buenos Aires. Octubre. ISBN 978-987-1183-42-9.

Available at:

http://bibliotecavirtual.clacso.org.ar/ar/libros/edicion/correa/giron.pdf

Girón, Alicia (2007), "Fusiones y megafusiones: Argentina, Brasil y México", *Revista Economía Informa* no. 349, November-December, Economícs Department, UNAM. Mexico City http://www.economia.unam.mx/publicaciones/econinforma/349.html

Hilsenrath, Jon (2009), "Fed Debates New Role: Bubble Fighter" in *The Wall Street Journal* (http://online.wsj.com/article/SB125970281466871707.html).

Kregel, Jan (2008) "Minsky's Cushions of Safety: Systemic Risk and the Crisis in the U.S. Subprime Mortgage Market", *Public Policy Brief*, No. 93 Levy Economic Institute, USA.

Lichtensztejn, Samuel (2009), Una aproximación metodológica al estudio de la internacionalización financiera en América Latina, in *Revista Ola financiera*, No. 2, January-April 2009, UNAM. www.olafinanciera.unam.mx

Salama, Pierre (2008), Argentine, Brésil, Mexique, face à la crise internationale (mimeographed edition), Paris, France.

World Economic Forum (2007), The Global Gender Gap Report, collaboration with Harvard University and University of California, Berkeley, Geneva, Switzerland.