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Research Announcement

Crise Financeira Russa

Bruno Pinto

Graduate School of Economics at Fundacao Getulio Vargas (EPGE/FGV)

Ursula de Lima

*Graduate School of Economics at Fundacao Getulio
Vargas (EPGE/FGV)*

Thais Vilela

*Graduate School of Economics at Fundacao Getulio
Vargas (EPGE/FGV)*

Abstract

Fundamental sources of the Russian financial crisis in 1998 are discussed. Focus is made on the time horizon of judgements concerning sustainability of the economic policy. It is argued that the macroeconomic policy pursued by the monetary authorities was not robust in a medium run, but, in the absence of external shocks was far from the crisis area, and required moderate, feasible modifications to be viable in a medium run. After the sharp deterioration in the terms of trade the previously pursued policy was no more sustainable even in a short run. The implications of the crisis were aggravated by the overly optimistic expectations by the monetary authorities of the near-term recovery in the terms of trade.

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Bruno Pinto

Graduate School of Economics at Fundacao Getulio Vargas (EPGE/FGV)

brunojmp@fgvmail.br

Praia de Botafogo 190, 11º andar

Rio de Janeiro, 22253-900, Brazil

55-21-2559-9711(Phone)