

Dollarization

edited by Eduardo Levy Yeyati and Federico Sturzenegger

The MIT Press
Cambridge, Massachusetts
London, England

Contents

Preface vii •

- 1 Dollarization: A Primer** 1
Eduardo Levy Yeyati and Federico Sturzenegger
- 2 Dollarization: Analytical Issues** 53
Roberto Chang and Andres Velasco
- 3 Using Balance Sheet Data to Identify Sovereign Default and Devaluation Risk** 77
Pablo Andres Neumeyer and Juan Pablo Nicolini
- 4 Dollarization and the Lender of Last Resort** 101
Christian Broda and Eduardo Levy Yeyati
- 5 Measuring Costs and Benefits of Dollarization: An Application¹ to Central American and Caribbean Countries** 133
Ugo Panizza, Ernesto Stein, and Ernesto Talvi
- 6 Dollarization: The Link between Devaluation and Default Risk** 201
Andrew Powell and Federico Sturzenegger
- 7 Implementation Guidelines for Dollarization and Monetary Unions** 237
William C. Gruben, Mark A. Wynne, and Carlos E. J. M. Zarazaga

Contents

**8 The Political Economy of Dollarization: Domestic and
International Factors 305**

Jeffry A. Frieden

Index 335