

supports this recommendation by showing that all of the crises in the 1990s were caused by unsupportable—meaning fixed or pegged—ForEx regimes.

Policymakers use a currency board to bridge the gap between a perceived heightened political risk, which causes a devaluation or other uncertainties (such as an actual political crises) and prevents foreign direct investment in a country, and the need of a country for this investment. These countries also face the need to support citizens' purchasing power in the international market. A planned and publicized process of dollarization or a devaluation that leads to a free-floating currency is used to soften the blow of political crises. However, DeRosa shows that

these short-term solutions in the end cause a taxpayer bailout.

DeRosa summarizes his survey by stating that, because of the modern ForEx market, there is no longer a role for the IMF (which was created to support the gold standard). He acknowledges that "it is going to take a colossal effort to convince Washington to yield to the basic thesis, that crisis nations should look after themselves and that the private sector should be free to settle its own disputes with distressed and indebted nations".

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