

Currency Crises, Capital-Account Liberalization, and Selection Bias

Reuven Glick, Xueyan Guo, Michael Hutchison

[➤ Author and Article Information](#)

The Review of Economics and Statistics (2006) 88 (4): 698–714.

<https://doi.org/10.1162/rest.88.4.698> [Article history](#) 

[Cite](#) [Permissions](#) [Share](#)  [Views](#) 

Abstract

Are countries with unregulated capital flows more vulnerable to currency crises? Efforts to answer this question properly must control for self-selection bias, because countries with liberalized capital accounts may also have sounder economic policies and institutions that make them less likely to experience crises. We employ a matching and propensity-score methodology to address this issue in a panel analysis of developing countries. Our results suggest that, after controlling for sample selection bias, countries with liberalized capital accounts experience a lower likelihood of currency crises.

This content is only available as a PDF.

Copyright by the President and Fellows of Harvard College and the Massachusetts Institute of Technology

You do not currently have access to this content.

Sign in

Don't already have an account? [Register](#)

Client Account

Email address / Username

Password

[Sign In](#)

[Skip to Main Content](#)

[Reset password](#)

[Register](#)

Sign in via your Institution

Sign in via your Institution

Buy This Article

Email Alerts

Article Activity Alert

Latest Issue Alert



View Metrics

Latest Most Read Most Cited

Tracking Weekly State-Level Economic Conditions

Role Models in Movies: The Impact of Queen of Katwe on Students' Educational Attainment

Curriculum Reforms and Infant Health

Exports and Wage Premiums: Evidence from Mexican Employer-Employee Data

Cited By

Web of Science (101)

Google Scholar

Crossref (124)

Skip to Main Content

Related Articles

Related Articles

The Asian Crises Reexamined

Asian Economic Papers (September,2004)

Can Capital Account Liberalization Lessen Capital Volatility in a Country with “Original Sin”?

Asian Economic Papers (June,2012)

Financial Liberalization, Crises, and Economic Growth

Asian Economic Papers (January,2008)

Summerland : Exploring the Intersection of Spiritualism and Technology at the Dawn of the Electrical Age

Leonardo Music Journal (December,2019)

Related Book Chapters

Capital Account Liberalization

Capital Flows and Crises

Contagious Currency Crises

Capital Flows and Crises

Analytics of Currency Crises

Understanding Global Crises: An Emerging Paradigm

Crises

Capital Flows and Crises

The Review of Economics and Statistics

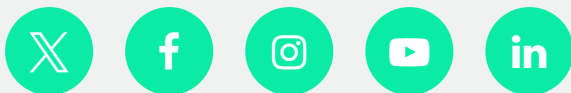
Online ISSN: 1530-9142 Print ISSN: 0034-6535



MIT Press Direct

[Skip to Main Content](#)

A product of The MIT Press



MIT Press Direct

About MIT Press Direct

Books

Journals

CogNet

Information

Accessibility

For Authors

For Customers

For Librarians

Direct to Open

Open Access

Media Inquiries

Rights and Permissions

For Advertisers

MIT Press

About the MIT Press

The MIT Press Reader

MIT Press Blog

Seasonal Catalogs

MIT Press Home

Give to the MIT Press

Contact Us

FAQ

Direct Service Desk

