

652 | 9 | 3  
Views | CrossRef citations to date | Altmetric

Articles

# Kicking Away the Ladder, Too: Inside Central Banks

Matías Vernengo

Pages 452-460 | Published online: 12 May 2016

Cite this article <https://doi.org/10.1080/00213624.2016.1176509>

Check for updates

Sample our  
Economics, Finance,  
Business & Industry Journals  
>> [Sign in here](#) to start your access  
to the latest two volumes for 14 days

- Full Article
- Figures & data
- References
- Citations
- Metrics
- Reprints & Permissions
- [Read this article](#)
- Share

## We Care About Your Privacy

We and our 880 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting I Accept enables tracking technologies to support the purposes shown under we and our partners process data to provide. Selecting Reject All or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the Show Purposes link on the bottom of the webpage. Your choices will have effect within our Website. For more details, refer to our Privacy Policy. [Here](#)

We and our partners process data to provide:

Use precise geolocation data. Actively scan device

I Accept

Reject All

Show Purposes



# Notes

<sup>1</sup> C.A.E. Goodhart ([2011](#)) suggests only three periods, disregarding the early period of central banking altogether. In part, his brief history of central banking is flawed, because that early history is fundamental to understanding what central banks can do in developing countries.

<sup>2</sup> On the concept of the developmental state, see Meredith Woo-Cumings ([1999](#)).

<sup>3</sup> This section is based on Matias Vernengo ([2015](#)).

<sup>4</sup> The monopoly over the issue of banknotes came significantly later, only after Robert Peel's Bank Charter Act of 1844. For the early history of the Bank of England, see John Clapham ([1944](#)).

<sup>5</sup> This would be, for example, the argument in the now infamous paper by Carmen M. Reinhart and Kenneth S. Rogoff ([2010](#)), who claim that public debt above 90 percent of GDP has a negative impact on economic growth.

<sup>6</sup> Patrick O'Brien ([2013](#)) suggests that fiscal exceptionalism, related to the smaller and more urbanized polities of the west, explain why England and later western nations found it easier to tax their populations when compared to eastern empires with more extensive territories. As the latter were more rural and less densely populated, they found it harder to tax their populations as the

<sup>7</sup> Some argue that the demand for domestic currency is not necessarily high. This paper. Specifically, the IR, sector and

<sup>8</sup> Don't explicitly mention Argentina, was an arrangement (2).

<sup>9</sup> In addition to the idea that the concept of capital dependency -



suggest that the typical discussion of inflation in conventional models should be taken with a grain of salt.

<sup>10</sup> For a discussion of the external vulnerability of Argentina in the context of the dispute with the Vulture Funds, see Vernengo ([2014](#)).

<sup>11</sup> There is little evidence that the external accounts react to changes in the exchange rate in a very significant manner. Also, higher central bank rates could be more than compensated by lower rates provided by other public banks, as the Brazilian experience with the national development bank (BNDES) shows.

---

## Additional information

### Notes on contributors

Matías Vernengo

Matías Vernengo is a professor of economics at Bucknell University. He served as a senior research manager at the Central Bank of Argentina (BCRA, in Spanish) at the time that some of the reforms discussed in this paper were carried out. These are the author's personal views and do not

reflect  
of this  
Ecuador  
particip  
the top



Re



## Information for

Authors

R&D professionals

Editors

Librarians

Societies

## Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

## Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

## Help and information

Help and contact

Newsroom

All journals

Books

## Keep up to date

Register to receive personalised research and resources by email

 Sign me up



Copyright

Accessib

Registered  
5 Howick Pl

or & Francis Group  
orma business

