

"Determining the causes of bank runs in Argentina during the crisis of 2001"

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Abstract:

We use monthly panel data information on Argentine banks to try to explain the variation in deposits during the 2001 crisis. The variables used relate to the solvency condition of the bank, whether it is public or private, interest rates for each bank and macroeconomic variables related to general economic conditions. We use our empirical results to attempt to determine whether the bank run is best explained by a self-fulfilling prophecy theory or if fundamentals matter. We find that bank fundamentals show statistically significant coefficients, and with expected sign, providing evidence in favor of the solvency theory.

JEL: C33 y C44

Keywords: bank runs, panel data, fundamentals, macro - variables, solvency theory

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