



Essays on Economic Policy (ESPE in Spanish) - On the Design of Public Institutions: Evidence from Financial

Download Keep in mind

In the journal Essays on Economic Policy (ESPE) - we disclose the results and policy proposals that arise from academic research carried out at the *Banco de la República*. When you read us, always keep in mind that the content of our articles, as well as the analyzes and conclusions derived from them, are the sole responsibility of their authors. The material disclosed in our ESPE magazine does not compromise or represent the opinion of *Banco de la República* or that of its Board of Directors.

AUTHOR OR EDITOR Volker Nitsch Publication Date: Wednesday, 4 of November 2015

This paper studies the allocation of the functions and responsibilities of prudential supervision on public authorities, including the central bank. In particular, it is argued that there are interdependencies in the design of institutions; political decisions on the supervisory structure are not taken in isolation. Analyzing a panel data set of prudential supervision regimes in 98 countries over the period from 1999 to 2010, I find that central banks play a smaller role in supervision and tasks are more decentralized if the central bank is independent and transparent. Measures of firm and fiscal decentralization are typically associated with a greater centralization of supervisory functions outside of the central bank.

Fuente: <https://www.banrep.gov.co/en/publications-research/espe/on-the-design-of-public-institutions-evidence-from-financial-supervision>