Subject/Title	Banking Crisis, Currency Crisis and the IMF Rescue Plan
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Abstract	The paper seeks to draw lessons from the changing faces of the banking industry to explain crises in the worldwide financial system. The past few decades have witnessed a growing number of financial crises around the world, showing that the worldwide financial system is inherently unstable.This financial instability derives partly from the inherent fragility of the banking industry and partly from certain financial innovations and the financial deregulation of the banking sector. Financial liberalization has profoundly changed the financial landscape in the United States. US regulators are not only unable to keep up with the pace of financial liberalization, but also misleadingly apply the efficient-market paradigm to the financial sector. Since the Depression-era prohibition on banks engaging in investment banking was formally ended by the 1999 Gramm-Leach-Bliley Act, financial liberalization and speculative activities, if left to run wild, have the potential to develop into a full-fledged crisis. Many emerging economies that followed the US trend toward financial liberalization in the 1980s also paved the way to twin crises in banking and currency, a particulary vicious financial mess. While the IMF is currently the only institution that can offer some help, it's emergency loan packages are always tied to belt-tightening measures which have the potential to deepen rather than bail out the crises.
Keyword(s)	banking crisis ； currency crisis ； twin crises ； financial deregulation ； Basel Accords ； Washington consensus