

Department of
Economics and Finance

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6U_ 7AYXZ7UJBUbX7fjg

Fth6UfY UbxS]fi W? Ufal'

7HYZfAUfWbca]g@GUbX6fi bYI hj Yg]m@cbXb'

. HYYUYUf YUXcd! Ugh] b]Uj YZNUg bci k] hZca fWfYhZbUjU' Wgg] b' aUf_YhWbca]g' D' MaUYg' bYXle' _bck']ZhYg' ZbUjU' Wgg] UY YX] Ycig]f: hYaUfWbca]n Uxg] Vmle' d']W]h]j Y]d]g'cf UY]d] Ycig' yYg]]Y]fhe] UYg' KY'cc_ Zg]]hYX]h]]b'c'Z]g]g' Ubx] Yg]f] YhY]]U]fY Zca' >cfXZGW Uf]W]UXH]d' f]s%L]UXZca' GcfX' f]s%L]a]d]g]chYg'Uci]hY]b'gV]kYb'W]X]h] fckh UbxW]g]g] YhYUg]%) S]n]g' KYhYb]]c'd]e' _cc_ U]hY X]f]a]]h]g' cZ]bUjU' Wgg]]b' aUf_YhWbca]g' g]Yg]h' hYfc' Yg' cZUb' W]U]Z U]U]UYcb'Vc' _]ei]]h]d'f]d]h]d]h]g' UbxW]f]h]d]W]i] h]X]W]g' KY'cc_ U]hYfc' Y cZ]W]X]h]]fckhZ]hYaU]b']b' V]kYb' aUfWbca]g' UbxW]g]g' Uxg]]g]h]U]h]g' Uf] Yn]U]g]h]]h]g' Ugc' i]g]Z' _le' _bck']ZhYn]fY dY]W]V]Z Ubx] Zg]Z' d]h]U]m dY] Y]U]V]Y' KY'cc_ U]hYfc' YcZ]hYW]Y]Z]W]f]g' X]g]g]XU]g] Y]b' aUf_YhWbca]g' Zca' %, \$]e' &]s%' KYW]b]W]X]h]U]d']MaUYg' bYXle' W]h]U]b]U]b]]d' Y]W]g]g]h]d]i W]g]U]b]hYaUfWbca]n'

1. Introduction

HYZHUWVggj' b'ss' Uxss' \jYzU'd| UXXfYgh| 'gUck'cj YhYBcfh' 5hUjWwca]g'BcdibnXci kl hU' g'UfdnZf hcgVggVhici kl h| fckh \Ug Ug' Vyb'gck' gbW'ss' " -h\UgVyb'Waacb'le' 'b_ 'hg'Vgg'UxchYg'le' hYk'j' dcVYag'cZiWggj YWVh| fckh UxhYg'Vgi Yhi bg'gUbuY| fckh 'cZig'hd|Wg' Ux'df|WU'nd'cd'hd|Wg' HY' 'b_ 'WkYb'WVh| fckh 'UxZHUW'Vgg' \Ug Vyb'Yad'Ugg'X|b'Ug'f'Yg'cZ'd'f'g'Wj Y|' 'Ud'f'c'XcZ'j' Y%'\$'m'f'g'c'Z' |g'f'm'b%' 'Xj'Ycd'XWca]g'Vinc'XZGW' 'fj'W'UxH'nf'f's%'E'GW' 'fj'W'UxH'nf'f's%'E' Ux'<'c'XZ'f'W'V'Z'GW' 'fj'W'UxH'nf'f's%'E'Ux' \Ug'Vyb'g' d'bf'X'v'h'Y'j'N'k'g'Ux hY'd'V|W|d'g'c'Z'h'Y'G'U' 'Z'f' -h'm'U'c'U'G'N'Y'a' Y'g'f'G' -G' 'H'Y'Y' |X'W'le' 'b_ 'Vgg' |b'X'W'le' W'V'h| fckh 'cj' Y'h'Y' U'g'Z'f'm'f'g' |g' \c'k'Y'Y'z'k'U'z'U'X'Y' |X'W'c'Z'h'Y 'b_ 'Z'f'h'Y'Y'W'ca]g'Z'ca' 'Y'f'Y' d'f'c'X'g'a' U'h'c'h'Y'f'Y' U'h'Z'f'h'Y'U'ng'c'Z'c' |M'h dcVYag' |b' ZHUW'm' |M'U'g'X' U'j'U'W'X' W'ca]g' HY' d'Y'U' |h' 'j' |k' |b' h'Y W'ca]g' d'c'Z'g'd'z' Ux'h'Y' d' |W'h'W'a' i' |h' |m' |g' h'U'h'W'g'U' |h' 'W'V'h| fckh ' |g' Y'g' |U' 'Z'f' d'Y' |h' 'U'bk' 'f'c' |X'c'Z'ZHUW'Vgg' ' -b' |g' d'f' k'Y'Y' U' |U' h' |g' d'c' d'g' |h' b' U'X'U'Y' a' d' |c' i' b' |X'g' |U' X' h' Y' W' |g' c'Z'ZHUW'Vgg' |b' U'j' U'W'X'W'ca]g' c'j' Y'h'Y' U'g'Z'f'm'f'g' "

KY`cc_ 'U'h'Y'f'c'Y'c'Z'h'Y'X'Z'b'W'g'U'U'g'g'g'Y'a' |W'U'b_ 'Z' |i' f'g' |W' |U' U'X' |e' |M' |m' |g' k'Y' 'U'g'U'h'Y'f'c'Y'c'Z'c'd'c'd'hd|Wg'U'X'c'Z'W'V'h| fckh ' |b' X'j' |h' 'h'Y'a' "K'Y'U' |i' Y'h'U'h Z' `c'k' |h' h'Y'f'g' |g' |b' <'c'X'U'Y'U' f's%'E'c' b' h' Y' d' f'c' X' g' g' W' h' Y' % , \$g'U'X'g' b' W' % () z'U'X \Y'W'Y'W'V'h| U'f'c'Y'Z'f'W' |U' U'X'g' i' U'W' |b' Y' d'U' |h' ZHUW'Vgg' |g' a' |g' X'Y'X' -b' h'Y ZHUW'm' |W'U' |g' |h' 'k'c'f'X' h'U'Z' `c'k'X'c'b'Z'ca' h'Y'W'U'g'Y'c'Z'G'N' |b' K'c'c'X'g'g'Y'a' |b' h'Y'Y'f'n' % + \$g'U' |b' _g'c'b'U'U'W'g' Y'h'W' |U' \U'g'Vyb'U' |a' d'f'U' h'X'Z'b'W'U'U'g' h'Y'f'g' ' c'Z'V'g'g' Y'Y' |Z' |h'k'U'g' |h'c'g' |h'Z'W' |h' |b' Y'f'Y' \ |g' d'f'W' d'f'c'X'g' K'Y'W'W'X'Y' h'U'h'Y Y'a'd'U'g'c'b'W'V'h| fckh U'X' |g'W' |h'c'z' |U'Y' h'U'c'b'W' |U' U'X'g' i' U'W' |g' a' |g' X'Y'X'U'X f'X'Y'g' h'Y'W' |U' g'g'z' |h'Y'X' |h'Y'U'X' -h'j' Y'W' |g' h' |h' |V'g'g' "

-b'h'Y'b' |h'g' |W' |b' c'Z'h'Y' d'f' k'Y'f'j' |k' h'Y'f'Y'U'X' |M'U'f'c'b' h'Y'Z'W'f'g' X'j' |h' Vgg' c'j' Y'h'Y' U'g'f' s' m'f'g' U'X'k'Y'f'Y' a'd'U'g' h'Y'W'W'g'c'b' c'Z'G'c'X' f's%'E' h'U'h'Y'Y' |g' |h'Y'Y' |X'W'le' 'g' d'bf' h'Y' |a' d'f'U' W'c'Z'W'V'h| fckh 'cj' Y'h' |g' d'f'c'X'k' |h' c' d' n' h'Y %&'!' ' Vgg'U'X'h'Y'ss'!, Vgg'g'c'k' |h' ' |b' g' < c' |g' d'f'W' \j' Y'W' |b' W' a' c' b' n' |b' Y'X le' Vgg'U'g'k'Y'z'U'X'k'Y'cc_ 'U'h'Y'g' |b' g' |W' |b' h'f'Y'Z'V' |X' |h' 'c' b' d' |g' m' n' g' f'Y'Y'U'g'

XáchgUUhUj|b'hYgVl|g|Ux|b'Ubi aVf cZchYfU dca|NcZVl|g|b'hYdgi
%, \$kcfXWU|U\UgLaUcfc'Yc'dU|b'hYXfa|U|bcZVl|g|dcU|J|g'""

7l|g|\UjYVb'YNa|Wb'af_YhVgZcfW|U|g|Z'Wca|Nc'UxhYmWb'Y
|WU|g|'mW'ac|b'C978W|b|YgV'WXYU|f'hYb|h'cZ'hYVl|g|ZY6|b'
KccXg'd|cXcZ|b|U'fY|g|b'V|k'Yb'%'(\$Ux%+&'HY6|b'KccXg|g|a'
kUgVl|g|ZY|b|d|f|WU|g|Z|b|U'g|g|a|g|k'Y|f|\h|W|b|c`YzU|X|Y|W|U|g|U|b|

lc'ldU'Vb_lj'ggfA'UgNgkUg[fNUfhU'%' žcfhYdVjWU]cihWgN'VWXX&
d'fVhicz; 8D'cf'ggfA'jWg'Wg'X'Uf'Y'g'U'Y'Vb_'hU'dU'g'j'ch'z'U'X'Z'bdž
Y'a'Y'f'W'j'c'j'f'ba'Y'h'j'f'j'Y'h'cb'k'U'g'g'j'U'X'7'f'g'W'W'X'U'g'c'W'f'k'\Y'V'U'_'f'ib'g'
k'Y'Y'c'g'f'j'Y'Z'V'h'h'g'\j'Y'V'b'f'f'Y'j'c'if'g'h'c'Z'W'i'h'f'g'g'j'W'Y', \$'B'ch'U'c'Z'h'Y'
W'g'g'j'X'h'f'Y'X'V'i'7'U'f'c'Y'h'U'f'89'E'k'Y'Y'd'V'j'W'j'g'V'Y'U'g'g'j'U'X'[c'j'f'ba'Y'h'
j'f'j'Y'h'cb'U'V'Y'\X'X'b'V'm'f'f'`a'U'U'Y'a'Y'h'c'Z'h'Y'd'V'j'W'j'j'U'Y'Y'W'W'i'h'g'Z'U'X'h'g'
k'U'g'W'a'ac'b'V'Z'f'Y'h'Y'U'c'Z'W'h'U'V'U'_'f'U'g'f'f'W'W'i'h'k'c'X'V'c'j'j'c'ig'Y'!d'g'f'ic'
c'Z'f'U'g'f'HY'X'h'j'f'j'c'g'k'Y'Y'j'\f'X'U'X'i'd'U'X'V'm'@'U'j'Y'U'X'J'U'Y'U'f'89%'U'X'
&%'E'z'c'g'f'g'X'h'Y'c'Y'c'Z'd'V'j'W'g'f'f'j'f'j'Y'h'j'c'g'Z'U'X'h'Y'f'j'g'X'U'X'Y'f'X'X'h'Y'
X'U'g'f'f'HY'@'U'j'Y'U'X'J'U'Y'U'f'j'g'd'b'f'U'g'X'h'Y'h'g'c'X'U'j'c'ih'W'g'f'ic'`d'f'V'h'ic'Z'
; 8D'U'X'Z'W'g'X'cb'W'g'g'h'U'i'7'U'f'c'Y'h'U'f'89'E'\U'X'hd'X'U'g'g'f'f'j'f'f'Y'W'f'g'g'j'b'j'b'
&&!, h'U'k'Y'U'X'h'Y'j'f'W'X'W'U'V'X'g'f'f'X'U'g'g'f'f'j'f'f'W'

HY'f'W'h'id'f'f'V'i'6'f'cb'Y'U'f'89%'E'd`g'f'j'Y'h'f'Y'g'U'X'U'i'a'W'f'c'Z'h'Y'X'h'j'f'j'c'g'
c'Z'f'U'g'g'j'Y'U'c'h'Y'f'f'j'a'Y'f'd'f'c'X'h'U'k'Y'i'g'f'Y'Z'U'X'U'g'c'd'f'c'g'g'U'k'X'h'j'f'j'c'Z'U'
W'g'g'k'\j'W'X'X'f'X'g'i'd'b'a'c'j'Y'a'Y'g'j'b'V'U'_'Y'i'j'h'id'j'W'g'5'g'6'f'cb'Y'U'f'89%'E'h'c'g'Z'
h'Y'c'Z'f'c'W'f'V'Z'f'Y'U'W'g'V'W'a'Y'c'j'j'c'ig'U'g'f'Y'c'X'f'g'a'U'f'c'c'_'ac'f'Y'W'f'f'`n'h'
h'Y'g'f'W'f'Y'c'Z'h'Y'U'U'W'g'Y'h'U'b'X'c'g'h'Y'd'V'j'W'5'h'c'i[\`ac'g'f'W'g'g'j'f'f'f'X'V'm'

\|\Y" H]g`d]h\Ug`hY`dkYgi5I 7` db`hYRVZ g[[Yg]h`]h\Ug`fYU]j YmkU`
g]bU]h`dkY" H]g`YadUgg`g`cif`d]hUg`Y`hU]Vgg`Wc]WUZUg`hY`acY`
g`Y]bV]h]UUXg]h]hY`g`if]j]k`hUkYg`ci`XU`Y]h]hU`Vgg`X]h]h]hg]W
Ug`7U]c`YU`fss) EUX@U]Y`bUXJUYb]U]fss%`E]hY`hU`bV]g]i`W`c`f`ckbU]hY`
g]a`Y]h`Y`gg`Y]h]h`Y`XU]g]h`"

Table 4 The Laevenard Valencia Crisis Definition

BchUg`HVY%

=b`HVY(`kY]h]b]k`Y`U]U]h`d]f`acY`i`g]h`hY`@U]Y`bUXJUYb]U]X]h]h]hg`cZ
Vgg`k\]W`U]Y`Y`g]h]U]mhY`g]a`Y`g]Y`c]f`d]f`cXUg`]b`hY`g]i`Y`bW`cZ`d]d]g`V]n
G]i`U]f]W`bX]h]h]f`U]X`h`Y`g]Z`U]X`Y`bW`kY`b`X]f]W`h]W`ad]f`Y`c]f`f]g`]g]c`>`d]U]Y`h
U`fss%`E`K`Y`f]h]h]hY`@U]Y`bUXJUYb]U]f]f]g]c`Z`ca`HVY`]b`hY`Z]g]h]W`i`ab`z
U]X`h`b`U]X`h`f]Y`U]g]b`f]U`l`d]U`V]X]h]f`ckh`]b`W`i`ab`&`H`Y`d]U]b]g]h`Y`g]a`Y`U]g]b`
HVY`%`Y`W`h]h]U]f]U`c]g]d]W]f`ckh`f]a`U]g]g]h]Z]W]h]k`Y`b`kY`U]X]f]U`l`d]U`V]X]h]h
[f`ckh`U]X`h`Y`G`G]W]h]c;`8D[U]Z`k\]g]i`c`b`h`Y`b]U]j`Y`h]X`U`c`b`f]U`l`d]U`V]X]h]h
[f`ckh`U]h]c`U]W`g]f]U]g]h`U]Y`Y`Y`g]c`Z`g]h]Z]W]h]k`Y`b`c`b`Y`c`Z`h`Y`U]g]b`f]U`l`d]U`V]X]h]h
[f`ckh`k`c]i`X`W`_`Y`h]Z`k`Y`g]i`Y`h]U`m]l]a]b]U]X`h`Y`j`U]f]U]Y`k]h`h`Y`V]g]g]h]Z]W]h]k`Y`b`
U]X`Y`g]a`U]X`U]Q`U]b]i]h]`c`b`n]g]h]Z]W]h]k`Y`U]f]U]Y`g]k`Y`Y`Z]h]7`c]i`ab`&`U]g]U`]\`Y`f`5I`7`
h`U`b`W`i`ab`%`U]X`U]V]h]f`\]h]f]U]c`U]X`U`g]a`U]Y`f`U`g]Y`7`U`g]f]U]c`z`V]h]h]Y`[U]b]`g]b`d]i
d]f]h]W]f]m]U]f]Y`K`Y`W`b`h]g]i`z`f`h`Y`c]h]g]h]Z]W]h]k`Y`b`c`Z`h`Y`h`f]Y`U]g]k]h`U]K`U`X
Y`W`g]c`b`h]g]z`k`W]g]d]g]X`k]h`7]l`*`f]E]1`))`%`)+`f]h]c`V`S`%`+`E`H`Y`i`b`U]b`W`X
g]a`d`Y`k]h`U]g]b`f]U`W]g]a`Y`V]X]h]f`ckh`U`g`[]j`Y`g]h`Y`g]a`Y`a`Y`g]j`Y`U]g]b`HVY`%`U]g`

hgjUfUVY|gbjYfg|bZUzUXbc`bNjXU`U`ka`XVg|bZUhd`lgckbZVh
hY|bWgdbcZUgjaYVWfYXVghYg|bZUWcZNU`ciYd|W|fdk`5KUX

aLf_YibgWgWfNgf; YaUngbW%%"=hg\UXlc'acX~UwZk|Ka]bdcfm
fi`UXWb_g"

HYUYchfWggcZVgghUfYYb\UXlc'acX"HYWUgZ7chpHU'

bhYUY%, \$gUxZca 'SSS'dkUgUxIbhYUfWgYhgWfmlfmbi[\ Zf
dcadMfMj YUfble \j YVbYZMj Y-ZkYUXldU"YXj [fdkh'le'hlgacX'
hYdMzaUW]bhYUY%, \$gladj YgVHLZf SSS'hYldbXXacX'g]bUg'Yg'
gfd]`nhU'hYUgY]b' =ZkYVY]jYkYgd`XUX`YXj [fdkh'le'cif dVfX
YdU]bU`cZhYdta YfgWU] YUgkYW'gYZca HVY%ZUXhYf YXj] b'`

DataAppendix

Bibliography

6UdZ'A'ZbXJYbM29'ZbXKYLjdzi

@UjYz@zfs%L7cbbfU; g MbWk\UgGmU'5viH6b_g'
"JciaY) "DjYg*!.- &""

@UjYz@zUBXJUYME: 'zfs%LIGnaM6b_h 7fgg8UWgI'
Gzbc'&@E&S'

@UjYz@zUBXJUYME: 'zfs%LIGnaM6b_h 7fggFyjghXI'

Fyb\Uz7'A'zUBXfd cZZ?'G'fSS E
'DfbWcb DfbWcbI bj YghmDyggSS "'

FcaYz7'S'/FcaYz8z 'zfs%LEBk 9j pWcbhY5ZNaU'cZ hbmU'7fggb'
5XUBWk7dHqYg "Jc`%\$-fEdf \$& %""

Gw UfWA 'zUBXhd"5'A'Z' "AUQ