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<p>Tiivistelmä-Referat-Abstract</p> <p>This paper consists both theoretical and empirical views of various features of the deposit insurance scheme/system (DIS) and its impact on likelihood of banking crises. There are hypothetical views of different kinds of features of the DIS that can have impact on banking sector fragility. On the basis of available and reliable observations the study has empirically tested four features effect on probability of banking crises. These are, 1) the presence of explicit DIS instead of implicit one, 2) the presence of voluntary membership system for the banks in the explicit DIS instead of compulsory membership system, 3) the presence of governmental administration in the explicit DIS instead of private or joint administration, and 4) the presence of ex ante funding in the explicit DIS instead of funding under ex post assessment when a bankruptcy takes place. The panel data includes both the industrial and developing countries for the period of 1980-1995 and the econometric model is a multivariate logit model (and in some case the probit model). The results suggest that the presence of an explicit DIS in a country has positive association with the likelihood of banking crises. When the study is limited only in explicit DIS countries, the presence of a voluntary membership system, instead of compulsory membership, tends to increase the banking crisis probability at 10% significance level. The presence of a governmental administration in a country using the explicit DIS, instead of a private or joint administration, is also positively associated with the banking sector fragility (at 5% significance level). The funding feature (ex ante or ex post) in explicit DIS countries is found insignificant when the standard errors are calculated in the traditional way without country and yearly fixed effects. It is significant at 10% level when the logit model is estimated with only fixed yearly effects. The similar model separating the panel data between industrial and developing countries is also estimated. None of the above features are significant for industrial countries. In the case of developing countries the presence of explicit DIS is significant at 1% level having positive association with the likelihood of banking crises, but other feature variables are not significant.</p>		
<p>Avainsanat-Nyckelord-Keywords</p> <p>deposit insurance - banking crises financial fragility moral hazard pankit - vakuutukset talletukset - takuu - pankit pankkikriisit</p>		
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Muita tietoja-Övriga uppgifter-Additional information		