

Department of
Economics and Finance

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6Ub_7AYXZ7UqU UbX7fJg

Fth6UfY UBXS]fi WU? Ufal'

7HfYZfAUfWbca]Vg@GUbX6fi bYI hj Yg]h@cbXb'

. HYYUYUf YUBcd! Uq] b]Uj YZNVgcbci k]hZca fWfYhZbUWU' Vg]g]b' aUf_YhWbca]Vg' D']MaUYg' bYXle' _bck']ZhYg' ZbUWU' Vg]g UY YX] Ycig]f: hYaUfWbca]Vg' UBgVWile' d']W]h]j Y]d]g'cf UY]d] Ycig' yYg']Y]fhe] UYg'KY'cc_ Z]g]U]hYX]h]b'cZ]Vg]g'UbXhYg]f] YhY]WU]fY Zca' >cfXZGW Uf]WUBXh]d'f]f]S%LUBXZca' GcfX'f]S%L]d]g]d]hYg'Uci]hY]b'gV]kYb'W]X]h]fckh UbXVg]g] YhYUg]%)\$n]Ug'KYhYb]c'd]e'`cc_ U]hY X]f]a]h]Ug'cZ]bUWU' Vg]g]b' aUf_YhWbca]Vg' g]Yg]h' hYfc'Yg'cZUb_ W]U]Z U]U]UYcb'Vc_ `]e]]h]d]c]d]h]d]h]Vg'UbXW]f]h]W]i]h]X]V]g'KY'cc_ U]hYfc'Y cZ]W]X]h]fckhZ]hYaUb']b' V]kYb'aUfWbca]Vg'UbXVg]g' UbXg]Vg]h]U]h]g' Uf]Yn]Ug]h]f]h]g'Ug'ig]Z`le' _bck']ZhYn]fY d]Y]W]V]Z UbX]Zg]Z d]h]U]m d]Y]h]V]Y'KY'cc_ U]hYfc'YcZ]hYW]Y]Z]W]f]X]g]V]g'X]U]g]Y]b'aUf_YhWbca]Vg' Zca' %, \$le'8%' KYW]b]W]X]h]U]d']MaUYg' bYXle' W]U]b]U]b]]d' Y]W]g]g]h]d]i W]g]U]b]hYaUfWbca]Vg'

1. Introduction

HYZHUWVggj' b'ss' Uxss' \jYzU'dj UxxvYgh' g'Uck'cj YhYBcfh' 5hUjWwca]g'Bcdibn'Xci'kl'kU'g'Ufdn'Zf'hc'g'Vgg'V'hi'kl'h'fckh'\Ug' Ug'Vyb'gck'gbW'ss' "h'\Ug'Vyb'Waacb'le'`b_`hg'Vgg'Uxch'Yg'le'hYk'j' dcV'Yag'cZ'V'Wgj'Yw'V'h'fckh'Uxh'Yg'V'ei'Y'hi'bj'g'U'V'Y'fckh'c'Z'U'g'V'h'd]Wg' Ux'Z'd'U'U'f'm'd'c'd'm'd]Wg'HY'`b_`V'k'Y'b'w'V'h'fckh'Ux'Z'U'W'V'gg'\Ug' Vyb'Yad'U'g'X'j'b'U'g'V'g'c'Z'd'd'g'V'j'V'h'`U'd'f'c'X'c'Z'j'Y'%\$'m'U'g'c'Z'`l'g'f'm'b'%` X'j'Y'cd'X'W'ca]g'V'nc'f'X'Z'G'W'`U'f'W'U'X'H'nc'f'f's'%'E'G'W'`U'f'W'U'X'H'nc'f'f's'%'E' U'X'<'c'X'Z'f'W'h'Z'G'W'`U'f'W'U'X'H'nc'f'f's'%'E'U'X'\Ug'Vyb'g'd'bb'h'X'v'h'Y'j'N'k'g'U'X' h'Y'd'V'W'j'd'g'c'Z'h'Y'G'U'`Z'f'`h'm'U'j'd'U'G'V'h'a'Y'g'f'G'c'f'h'Y'Y'j'X'W'le'`b_`V'gg' j'W'X'W'le'w'V'h'fckh'`cj'Y'h'Y'U'g'Z'f'm'U'g'V'g'`ck'Y'Y'Z'k'U'Z'U'X'Y'j'X'W'c'Z'h'Y' `b_`Z'f'h'Y'Y'W'ca]g'Z'ca'`Y'f'Y'f'd'f'c'X'g'a'U'h'b'd'Y'f'Y'Y'U'h'Z'f'h'Y'U'U'ng'c'Z'd'`M'h' dcV'Yag'`j'b'`Z'U'W'U'm'`M'U'g'X'U'j'U'W'X'W'ca]g'`HY'd'Y'U'j'U'h'`j'N'k'`j'b'h'Y' W'ca]g'd'c'Z'g'd'Z'U'X'h'Y'd'`M'h'W'a'a'i'b'h'm'lg'h'U'h'W'g'U'j'h'`w'V'h'fckh'`lg' Y'g'V'U'Z'f'd'Y'V'h'`U'bk'`f'c'i'X'c'Z'Z'U'W'U'V'gg'`b'h'lg'd'd'f'k'Y'Y'U'U'Y'h'lg' d'c'd'g'j'h'b'U'X'U'V'ad'ic'i'b'X'g'U'X'h'Y'W'g'c'Z'Z'U'W'U'V'gg'j'b'U'j'U'W'X'W'ca]g'` cj'Y'h'Y'U'g'Z'f'm'U'g'`

KY`cc_`U'h'Y'f'c'Y'c'Z'h'Y'X'Z'b'W'g'U'U'g'g'g'V'a]W'U'b_`Z'j'f'Y'g'V'W'U'U'X'`e'i'`M'h'lg' kY`U'g'U'h'Y'f'c'Y'c'Z'd'c'd'm'd]W'g'U'X'c'Z'w'V'h'fckh'`j'b'X'j'j'h'`h'Y'a"KYU'f'i'Y'h'U'h' Z`ck'j'h'Y'f'g'`lg'b'>'c'X'U'Y'U'f's'%'E'c'b'h'Y'd'f'c'X'g'g'W'h'Y'%,`S'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'`e'i'U'W'j'b'Y'd'U'j'h'`Z'U'W'U'V'gg'g'a'lg'X'X'`b'h'Y' Z'U'W'U'm'j'W'U'lg'h'`k'c'f'X'h'U'Z`ck'X'c'b'Z'ca'h'Y'W'U'g'Y'c'Z'G'N'h'b'K'c'c'X'g'g'V'a'`j'b' h'Y'Y'f'n'%'+'S'g'U'b'g'b'U'U'W'g'Y'h'W'U'U'\U'g'Vyb'U'b'j'a'd'f'U'h'X'Z'b'W'U'U'g'h'Y'f'g'` c'Z'V'gg'Y'Y'b'Z'j'h'k'U'g'h'c'h'g'j'h'Z'W'h'j'b'Y'f'Y'f'\`l'g'f'W'd'f'c'X'g'KY'W'W'X'Y'h'U'h'Y' Y'ad'U'g'c'b'w'V'h'fckh'U'X'j'g'w'h'f'c'Z'U'Y'h'U'b'c'b'W'U'U'X'`e'i'U'W'j'g'a'lg'X'X'U'X' X'X'Y'g'h'Y'W'U'U'g'Z'j'h'Y'Y'U'U'`h'j'Y'W'U'U'g'h'U'V'gg'`

`b'h'Y'b'h'g'W'c'b'c'Z'h'Y'd'd'f'k'Y'f'j'N'k'h'Y'f'Y'U'X'`M'U'h'Y'c'b'h'Y'Z'W'f'g'X'j'j'h'`V'gg'` cj'Y'h'Y'U'g'V'%'\$'m'U'g'U'X'k'Y'f'Y'ad'U'g'Y'h'Y'W'W'g'b'c'Z'G'c'X'`f's'%'E'h'U'h'Y'Y'lg' `j'h'Y'Y'j'X'W'le'`g'd'bb'h'Y'j'a'd'f'U'W'c'Z'w'V'h'fckh'`cj'Y'h'lg'd'f'c'X'k'j'h'`d'b'n'h'Y' %&'!'`V'gg'U'X'h'Y's's'!,`V'gg'g'ck'j'h'`b'g'<'c'ig'd]W'g'U'j'Y'W'b'W'a'c'b'n'j'b'`X' k'`V'gg'U'g'k'Y'Z'U'X'k'Y'cc_`U'h'Y'g'j'b'g'W'c'b'h'f'Y'Z'V'j'X'j'h'`c'b'd` `l'g'm`n'g'f'Y'Y'U'g'

XáchgUUhUj|b'hYgVlggUX|b'UiaVf'cZchYfU|dca|Ng'ZVlgg|b'hYdgi
%, \$kcfXWU|U\UgUaUcfc'Y|cdU|b'hYX|fa|U|bcZVlgg|dcU|J|hg''''

7|gg\|jYV|b'Y|Xa|W|b'aUf_Y|hVgZ'cf'W|U|gZ'W|ca|Jg'U|X'hYmW|a'Y
|W|U|g|'m|a'ab|b'C978'W|h|Y|v|W|X|U|h'h|Y|b|h|'c'Z'h|Y|V|g|Z|Y|6|N|b|
Kcc'X'g'd|f'X'c'Z|b|U'f|Y|g|b'V|k'Y|b'%'(\$'U|X%'+'&'H|Y|6|N|b|Kcc'X'g'g|a'
kU'V|g|Z|Y|b|d|f|W|U|g|Z|b|U'g|g|a'g|k'Y|U|'\h|W|b|c''X|Z|U|h|Y|W|U|g|U|b|

le'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'a'Y'h'j'f'j'Y'h'c'b'k'U'g'g'j'U'X'7'f'g'W'X'U'g'c'W'f'k'\Y'Vb_'f'ib'g'
k'Y'Y'c'g'f'j'Y'Z'V'h'h'g'\j'Y'V'b'f'f'Y'j'b'c'f'g'h'c'Z'W'i'h'f'g'g'j'W'Y', \$'B'chU'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'a'Y'h'
j'f'j'Y'h'c'b'V'V'\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'c'b'V'Z'f'Y'h'Y'U'c'Z'W'h'U'Vb_'f'U'g'f'f'W'W'i'h'k'c'X'V'c'j'j'c'g'Y'!d'g'f'c'
c'Z'f'U'g'f'HY'X'h'j'f'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'
89%'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'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'i'h'W'g'f'c'`d'f'V'h'ic'Z'
; 8D'U'X'Z'W'g'X'c'b'W'g'g'h'U'i'7'U'f'c'Y'h'U'f'89'E'\U'X'h'c'X'U'g'g'f'f'j'f'a'j'W'h'Y'W'g'g'j'b'b'
89'!, h'U'k'Y'U'X'h'Y'j'f'W'X'W'b'U'V'X'g'f'f'X'U'g'g'f'f'j'f'a'j'W'

HY'f'W'h'id'f'f'V'i'6'f'c'b'Y'h'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'c'g'
c'Z'f'U'g'g'j'Y'U'c'h'Y'f'f'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'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'Vb_'Y'i'j'h'id'j'W'g'5'g'6'f'c'b'Y'h'U'f'89%'E'h'c'g'Z'
h'Y'c'Z'h'c'W'f'V'Z'f'Y'U'W'g'V'W'a'Y'c'j'j'c'g'U'g'f'Y'c'X'f'g'a'U'f'c'c'_a'c'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'\`a'c'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`hYXU]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`Yg]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`Yg`Z`U]X`Y`bW`kY`b`X]f]W`h]W`ad]f`Y`c]f`f]g`]g]c`>`c]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]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]f]c]i`a`b`&`U]g]U`|\`Y`5I`7`
h`U]b`W`i`a`b`%`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`^]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`V]h]g]a`Y`V]X]h]f`ckh`U`g`[]j`Y`g]h`Y`g]a`Y`a`Y`g]i`Y`U]g]b`HVY`%`U]g`

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

aLf_YibgWgWfNgfb; YaUngbW%%"=hg\UXlc'acX~UwZkgKa]bdcfm
fi`UXWb_g"

HYUYchfWggcZVgghUfYYb\UXlc'acX"HYWUgZ7chpHU'

bhYUy%, \$gUxZca 'sss'dkUgUxIbhYUfWgYhgWlfmIfmIci [\ Zf
dcadMfMj YUfble \j YVbYzWj Y-ZkYUXldU"YXj [fdkh'le'hlgacY'
hYdMzfaUW]bhYUy%, \$gladj YgVhZf &SS'hYldbXXacY'g]bUg'Yg'
gfd]`nhU'bhYUg]bY'ZkYVY]jYkYgd'XUX'YXj' [fdkh'le'cif dVfX
YdU]bU'cZhYdta YfgWU] YUg'kYW'gYZca HVY%ZUXhYl YXj] b'`

DataAppendix

Bibliography

6UdZ'A'ZbXJYbM29'ZbXKYLjdzi

@UjYz@zfs%L7cbbU; g MbWK\UgGMU'5viH6b_g'
"JciaY) "UjYg*!.- &""

@UjYz@zUXJUYME: 'zfs%LIGnaM6b_h 7fgg8UWgI'
G7c'&8E&S'

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

FybUfz7'A'zUXFd cZZ?'G'fSS E
'DfbMeb DfbMebI bj YghUfYgZSS "'

FcaYz7'S'/FcaYz8z 'zfs%LEBk 9jXBWcbhY5ZNaU'cZ hBMU'7fggb'
5XUBWK7dHfYg "Jc`%\$-fEdf \$& %""

GW UfWA 'zUXHid"5'A'Z' "AUQ