



Lessons Learned Oral History Project

Martín Redrado

The Yale Program on Financial Stability (YPFS) interviewed Martín Redrado about his time as president of the Central Bank of Argentina (Banco Central de la República Argentina, or BCRA). Redrado was appointed by President Néstor Kirchner in 2004 and confirmed by unanimous vote of the Senate.

Argentina had suffered a series of economic crises over three decades. A 1991 financial reform legislation had instituted a convertibility plan that pegged the Argentine peso to the US Dollar. A 2001–2002 crisis led the country to default on \$100 billion of its public debt. Argentina lost access to international capital markets, and its domestic economy was wracked by a lengthy recession with 20% unemployment and a contraction of the economy by one-fifth. By 2004, the currency had been allowed to float, leading to bank runs, as depositors tried to convert pesos to dollars.

Under Redrado's leadership, the BCRA sought to stabilize the monetary and financial systems and exchange rates, boost foreign exchange reserves to back the floating exchange rate, and established countercyclical policies that helped the country manage the external shocks of the Global Financial Crisis of 2007–09.

In 2010, Redrado resigned from the bank after clashing with Mr. Kirchner's wife and successor, Cristina Fernández de Kirchner, who wanted to tap the bank's reserves to fund the country's public spending. After leaving the bank, Redrado authored the book *No Reserves: The Limit of Absolute Power*, in which he argued against the danger of mixing politics and economics. He is currently a director at the Master of Central Banking (Asia Business School, Kuala Lumpur), director of Fundación Capital, an economic think tank he founded in 1994, a senior economic adviser to the World Bank, and most recently was named secretary for strategic affairs of the government of the city of Buenos Aires.

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