

Contents

|                                           |               |
|-------------------------------------------|---------------|
| <i>List of Figures, Tables, and Boxes</i> | <i>page</i> x |
| <i>Preface</i>                            | xiii          |
| <i>Acknowledgments</i>                    | xvii          |
| <i>List of Abbreviations</i>              | xix           |
| 1. Introduction                           | 1             |
| 1.1 IPGs and Financial Stability          | 4             |
| 1.2 IGOs and the IMF                      | 8             |
| 1.3 Principals and Agents                 | 10            |
| 1.4 Overview                              | 13            |
| 2. Bretton Woods                          | 19            |
| 2.1 New Order                             | 20            |
| 2.2 Administrative Arrangements           | 24            |
| 2.3 Adjustment versus Finance             | 26            |
| 2.4 Collapse of Bretton Woods             | 31            |
| 2.5 IMF and Bretton Woods: Appraisal      | 32            |
| 3. Transitions                            | 35            |
| 3.1 New Responsibilities                  | 36            |
| 3.2 Euromarkets                           | 40            |
| 3.3 Recycling                             | 42            |
| 3.4 New Organizations                     | 47            |
| 3.5 IMF and the Nonsystem: Appraisal      | 49            |
| 4. The Debt Crisis                        | 52            |
| 4.1 Crisis Emergence                      | 53            |
| 4.2 Crisis Manager                        | 55            |
| 4.3 Program Breakdowns                    | 58            |

Cambridge University Press

978-0-521-87417-5 - The IMF and Global Financial Crises: Phoenix Rising?

Joseph P. Joyce

Table of Contents

[More information](#)

viii

*Contents*

|      |                                             |     |
|------|---------------------------------------------|-----|
| 4.4  | Crisis Resolution                           | 62  |
| 4.5  | Basel I                                     | 67  |
| 4.6  | IMF and the Debt Crisis: Appraisal          | 69  |
| 5.   | Global Finance Redux                        | 72  |
| 5.1  | Resurgence of Capital Flows                 | 73  |
| 5.2  | IMF Programs and Capital Decontrol          | 76  |
| 5.3  | Catalysis                                   | 81  |
| 5.4  | New Amendment                               | 83  |
| 5.5  | IMF and Financial Liberalization: Appraisal | 86  |
| 6.   | Currency Crises                             | 88  |
| 6.1  | ERM                                         | 89  |
| 6.2  | IMF and the ERM Crisis: Appraisal           | 92  |
| 6.3  | Mexico: Crisis                              | 96  |
| 6.4  | Mexico: Aftermath                           | 100 |
| 6.5  | IMF and Mexico: Appraisal                   | 102 |
| 7.   | The Widening Gyre                           | 105 |
| 7.1  | East Asia                                   | 106 |
| 7.2  | IMF and East Asia: Appraisal                | 115 |
| 8.   | Fiscal Follies                              | 120 |
| 8.1  | Russia                                      | 121 |
| 8.2  | IMF and Russia: Appraisal                   | 124 |
| 8.3  | Brazil                                      | 125 |
| 8.4  | Argentina                                   | 127 |
| 8.5  | IMF and Argentina: Appraisal                | 132 |
| 9.   | Lessons Learned                             | 134 |
| 9.1  | Reforms                                     | 135 |
| 9.2  | International Lender of Last Resort         | 139 |
| 9.3  | FSF and Basel II                            | 143 |
| 9.4  | Reserves and Regional Arrangements          | 148 |
| 10.  | The Great Recession                         | 153 |
| 10.1 | Global Imbalances                           | 154 |
| 10.2 | Premonitions                                | 161 |
| 10.3 | Impasse                                     | 164 |
| 10.4 | Implosion                                   | 167 |
| 10.5 | IMF and the Great Recession: Appraisal      | 177 |

Cambridge University Press  
978-0-521-87417-5 - The IMF and Global Financial Crises: Phoenix Rising?  
Joseph P. Joyce  
Table of Contents  
[More information](#)

| <i>Contents</i>                  | <i>ix</i> |
|----------------------------------|-----------|
| 11. The World Turned Upside Down | 181       |
| 11.1 Debt Again                  | 182       |
| 11.2 Integration or Autonomy?    | 188       |
| 11.3 What Is to Be Done?         | 191       |
| <i>Appendix: IMF Data</i>        | 197       |
| <i>References</i>                | 201       |
| <i>Index</i>                     | 227       |

List of Figures, Tables, and Boxes

| Figures                                                                             |                |
|-------------------------------------------------------------------------------------|----------------|
| 4.1. Debtors and Lenders: Chicken Game                                              | <i>page</i> 56 |
| 4.2. Debt of Heavily Indebted Countries: 1982–1990                                  | 63             |
| 4.3. Capital Flows to Developing Economies and Emerging Markets: 1980s              | 64             |
| 5.1. Capital Flows to Developing Economies and Emerging Markets: 1990s              | 75             |
| 9.1. Foreign Reserves of Emerging Markets: 1997–2009                                | 149            |
| 10.1. Real GDP Growth: 2000s                                                        | 155            |
| 10.2. Inflation: 2000s                                                              | 156            |
| 10.3. Capital Flows to Developing Economies and Emerging Markets: 2000s             | 157            |
| 10.4. Current Accounts of Advanced Economies: 2000–2009                             | 158            |
| 10.5. Current Accounts of Developing Economies and Emerging Markets: 2000–2009      | 159            |
| 10.6. Real GDP Growth Rates of Advanced Economies: 2008–2011                        | 175            |
| 10.7. Real GDP Growth Rates of Developing Economies and Emerging Markets: 2008–2011 | 176            |
| 11.1. Government Gross Debt of Selected Advanced Economies: 2007–2015               | 184            |
| 11.2. Government Gross Debt of Advanced Economies and Emerging Markets: 2007–2015   | 187            |
| A.1. Size of IMF Membership and U.S. Voting Share: 1950–2010                        | 197            |
| A.2. Arrangements Approved: 1970–2011                                               | 198            |
| A.3. Amounts Committed under Lending Arrangements: 1970–2011                        | 199            |

*Figures, Tables, and Boxes* xi

**Tables**

|                                                        |     |
|--------------------------------------------------------|-----|
| 3.1. Oil Exporters' Revenues                           | 43  |
| 3.2. Main Lender Banks to Developing Nations: 1970s    | 45  |
| 3.3. Bank Loans to Developing Nations: 1977–1982       | 46  |
| 4.1. Economic Conditions in Heavily Indebted Countries | 65  |
| 5.1. New Members Post–1973                             | 77  |
| 6.1. Mexico: 1991–1996                                 | 97  |
| 7.1. Thailand: 1994–1999                               | 108 |
| 7.2. Indonesia: 1994–1999                              | 109 |
| 7.3. Philippines: 1994–1999                            | 111 |
| 7.4. South Korea: 1994–1999                            | 112 |
| 7.5. Malaysia: 1994–1999                               | 113 |
| 8.1. Russia: 1995–2000                                 | 122 |
| 8.2. Brazil: 1995–2000                                 | 126 |
| 8.3. Argentina: 1997–2002                              | 128 |
| 8.4. Turkey: 1997–2002                                 | 131 |
| 9.1. Standards for Sound Financial Systems             | 145 |
| 10.1. IMF Stand-By Arrangements Post–September 2008    | 170 |
| A.1. Managing Directors                                | 199 |
| A.2. Quota Reviews                                     | 200 |

**Boxes**

|                                                 |    |
|-------------------------------------------------|----|
| 2.1. IMF Article of Agreement I                 | 22 |
| 2.2. Financial Programming                      | 28 |
| 3.1. IMF's Revised Article of Agreement IV      | 38 |
| 4.1. First-Generation Model of Currency Crises  | 60 |
| 6.1. Second-Generation Model of Currency Crises | 94 |