The Company States Keep

This book argues that investor risk in emerging markets hinges on the company a country keeps. When a country signs on to an economic agreement with states that are widely known to be stable, it looks less risky. Conversely, when a country joins a group with more unstable members, it looks more risky. Investors use the company a country keeps as a heuristic in evaluating that country’s willingness to honor its sovereign debt obligations. These heuristics, however, tend not to reflect the realities on the ground in the country in question. This has important implications for the study of international cooperation as well as of sovereign risk and credibility at the domestic level.

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For Roy and Natalie Gray, and Bess and Jack Slaughter
The Company States Keep

*International Economic Organizations* and *Investor Perceptions*

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Contents

List of Figures ix
List of Tables xi
Acknowledgments xiii

1 Introduction: The Company You Keep 1
  1.1 International Cooperation and Uncertainty 7
  1.3 Chapter Outline 13

2 International Institutions and Sovereign Risk 16
  2.1 What Markets Tell Us about Institutions, and What Institutions Tell Markets 18
     2.1.1 Ability and Willingness to Repay Debt 20
     2.1.2 Other Ways of Measuring Risk 22
  2.2 Theories of International Institutions 24
  2.3 Collective Assessments of Risk 26
     2.3.1 IOs and Perceptions of Ability to Service Debt 28
     2.3.2 Affiliations and Reputation 30
  2.4 A Theory of the Company States Keep 33
     2.4.1 Proposed Depth of Integration 36
     2.4.2 Reputation of Countries in the Agreement 38
  2.5 Alternate Hypotheses 42
     2.5.1 H_{a1}: Changes in Member-State Behavior 43
     2.5.2 H_{a2}: Selection and Endogeneity 45
     2.5.3 H_{a3}: Enforcement of Rules or Constraints on Behavior 47
  2.6 Conclusion 50
### Contents

3 The Company You Keep in Comparative Perspective
   3.1 Operationalizing Risk through Sovereign Debt
      3.1.1 Sovereign Risk of Members of Regional Agreements
   3.2 Key Explanatory Variables
   3.3 Testing of Central Hypothesis (H₁): The Company You Keep
      3.3.1 Empirical Results for the Company You Keep (H₁)
   3.4 Robustness and Rival Explanations
      3.4.1 Test of Changes in Behavior (H₂₁)
      3.4.2 Test of Endogeneity (H₂₂)
      3.4.3 Test of Enforcement (H₂₃)
   3.5 Conclusion
   3.6 Appendix

4 The Effects of Good Company
   4.1 Investor Risk and EU Enlargement
   4.2 Data Analysis: Aggregate Effects of the EU as Good Company
   4.3 Evidence for the Company You Keep (H₁)
   4.4 Effects for Postcommunist Countries
      4.4.1 Test of H₂₁ – Policy Reform
      4.4.2 Test of H₂₂ – Selection
      4.4.3 Test of Mechanism Underlying H₁: The Company You Keep
      4.4.4 Examination of H₂₃: Enforcement
   4.5 Conditions without Membership: The European Neighborhood Policy
   4.6 Conclusion

5 When Emerging Markets Join Up with Bad Company
   5.0.1 Event Studies and Uncertainty
   5.1 Defaults and Bad Company in Latin America
      5.1.1 Investor Perceptions of Chávez’s Bolivarian Revolution
   5.2 Perceptions of Russia and the Eurasian Union
      5.2.1 A New Customs Union and a Planned Eurasian Union
   5.3 When Countries Leave a “Bad Company” Organization
   5.4 Increases in Uncertainty: China’s Reach into Emerging Markets
   5.5 Conclusion

6 How Risk for Core Members Changes on IO Expansion
   6.1 Investor Risk to Core Members: Germany and EU Accession
   6.2 Mercosur: Contagion, Can’t Pay, and Won’t Pay
      6.2.1 Possible Contagion Effects: Ability to Pay
      6.2.2 Uruguay’s Debt Restructuring
      6.2.3 Mercosur’s Ideological Orientation: Willingness to Pay
Contents

6.3 When New Members Change the Brand of the Organization 182
   6.3.1 Attenuated Effects in Current Enlargement Negotiations 183
   6.3.2 Turkey’s EU Candidacy 185
6.4 Conclusion 187

7 Conclusion 189
   7.1 Implications 192

Bibliography 201
Index 225
List of Figures

2.1 How Risk Varies as a Function of Integration and Member Quality (Theoretical Graph) page 40
3.1 Marginal Effect of Proposed Integration on Risk as Company Changes 65
4.1 Slovak Bond Yields and EU Accession 89
5.1 Changes in Risk for Ecuador 142
5.2 Changes in Risk for El Salvador 144
5.3 Changes in Risk for Russia 152
6.1 German Treasury Yields, 1975–2006 165
List of Tables

2.1 Expectations for Effects on Risk  page 41
3.1 Summary Statistics for Key Variables      54
3.2 Investor Risk in Key Economic Agreements  55
3.3 Evidence for Central Hypothesis ($H_1$): The Company You Keep (Quarterly Data)  64
3.4 First Differences: Quarterly Data          66
3.5 Evidence for Central Hypothesis ($H_1$): The Company You Keep (Annual Data)  67
3.6 First Differences: Yearly Data             68
3.7 Test of $H_{a1}$: Changes in Behavior      70
3.8 Test of Reverse Causation ($H_{a2}$)        72
3.9 Test of Policy Change ($H_{a1}$), Enforcement ($H_{a3}$) on Yearly Data   77
3.10 Summary Statistics for (Unlogged) Spread on Sovereign Debt  81
3.11 Test of Endogeneity ($H_{a2}$): Instrumental Variables Regression  84
4.1 Test for Structural Breaks at Time of EU Accession  90
4.2 Effect of EU Candidacy                      94
4.3 Effects of One SD Change of Independent Variables on Sovereign Spreads  95
4.4 EU Effect across Stages of Expansion – Postcommunist Countries  97
4.5 Effects of One SD Change of Independent Variables on Sovereign Spreads  98
4.6 Test of Policy Reform ($H_{a1}$)             100
4.7 Treatment Effects – Test for Selection Bias ($H_{a2}$)  106
4.8 Test of EU Seal of Approval ($H_1$): The Company You Keep (Quarterly Data)  110
4.9 Test of Enforcement ($H_{a3}$): Market Perceptions of Breaking of EU SGP Rules  114
List of Tables

4.10 Test of Enforcement (H_{a1}): Lack of Investor Reaction to Bailout News 118
4.11 Event Analysis of ENP Action Plans (Same Company, Lower Proposed Integration) 120
5.1 ARCH-in-Means Test of China FTAs as a Predictor of Uncertainty 159
6.1 Changes in German Risk Levels as a Function of New Member Accessions 167
6.2 Effects of One Standard Deviation Change of IVs 169
6.3 German Risk and Attributes of New Members, on Six Dimensions 171
6.4 Cumulative Abnormal Returns around Debt Crises in Mercosur 176
6.5 Cumulative Abnormal Returns as Venezuela Negotiates with Mercosur 181
6.6 Event Analysis of Opening EU Negotiations: Decreased Potency with an Expanded EU 184
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