

# Index

## AUTHOR AND SOURCE INDEX

- Abouharb, M. Rodwan, 160*n*10

Abowd, John M., 85*n*3

Achen, Christopher H., 107, 131, 159

Aggarwal, Vinod K., 53

Alvarez, Michael, 17

Amemiya, Takeshi, 84*n*2, 105*n*10

Atkinson, A., 138*n*5

Bandow, Doug, 73, 88

Banks, Arthur S., 167

Barro, Robert J., 154

Bates, Robert H., 20*n*1

Beck, Thorsten, 98, 167

Berg, Andrew, 150*n*15, 157*n*6

Bird, Graham, 5, 7, 8*n*10, 9, 12, 14, 63, 113, 121, 156

Bjork, James, 13, 62, 63

Blejer, Mario I., 155

Boughton, James M., 15

Bourguignon, F., 138*n*5

Bovenberg, A. Lans, 136*n*1

Bradley, Pamela, 10*n*12

Brooks, Sarah M., 62

Buquet, Daniel, 45

*Busqueda*, 46

Callaghy, Thomas, 14, 34, 36, 38, 47, 53, 64

Camdessus, Michel, 2, 8

Campbell, Horace, 26

Catsambas, Thanos, 136*n*1

Chasquetti, Daniel, 45

Cheasty, Adrienne, 155

Cheibub, José Antonio, 17

Cheney, David M., 160

Chu, Ke-young, 136*n*1

Clarke, George, 98

Coleman, James S., 6*n*7, 121

Collier, Paul, 161*n*12

Connors, Thomas A., 3, 4, 108

Conway, Patrick, 3, 4, 12, 13, 108, 110*n*3, 123

Crawford, Vincent P., 74

Cruz, Wilfrido, 155*n*2, 156

Dahl, Robert, 158*n*8

Dasgupta, Partha, 6*n*7, 121

Davoodi, Hamid, 155, 161

de Vries, M., 8

Deininger, Klaus, 137

Dell, S., 136

Denoon, David B. H., 165*n*16

Diaz-Alejandro, Carlos F., 136

Dixit, Avinash K., 13, 62, 63

Dollar, David, 153, 163*n*13

Durbin, Spencer William, 156

Dymski, Gary A., 150, 157

*Economist Intelligence Unit*, 47–8, 50

Edwards, Martin S., 15*n*19, 47, 53, 64

Edwards, Sebastian, 4, 12, 13, 62, 63, 108

- Eichengreen, Barry, 1*n*1, 8*n*10  
 Elster, Jon, 54*n*2
- Farber, Henry S., 85*n*3  
 Filgueira, Fernando, 43, 44, 45, 49  
*Financial Times*, 36, 37, 44, 46, 47, 50  
 Fischer, Stanley, 9, 12  
 Foltz, William, 38  
 Frieden, Jeffry A., 54*n*1  
 Fukuyama, Francis, 6, 104, 121
- Gandhi, Ved P., 155*n*3  
 Garuda, Gopal, 49, 134, 135, 136, 137, 138, 141, 146, 151, 154, 163  
 Geddes, Barbara, 20*n*1  
 George, Susan, 155*n*2  
 Gilligan, Michael, 54*n*1  
 Goldstein, Morris, 4*n*4, 5*n*5, 12, 108*n*1  
 Gonzalez, Luis E., 43, 44, 45  
 Gould, Erica R., 16, 57, 158  
 Gourevitch, Peter Alexis, 14, 54  
 Gowa, Joanne, 2*n*3  
 Greene, William H., 106  
 Greif, Avner, 20*n*1  
 Groff, Alberto, 98  
 Guillaumont, Patrick, 161*n*12  
 Guillaumont, Sylviane, 161*n*12  
 Gunning, Jan Willem, 161*n*12  
 Gylfason, Thorvaldur, 3, 4, 108, 159
- Haggard, Stephan, 12  
 Handa, Sudhanshu, 136  
 Hardin, Russell, 6*n*7, 121  
 Hayter, Teresa, 155*n*2  
 Heckman, James J., 5*n*5, 107, 120, 131  
 Heller, Peter S., 136*n*1  
 Heston, Alan, 17, 129, 130, 143  
 Huber, Evelyne, 46  
 Huber, John D., 20*n*1  
 Humphreys, Norman K., 5, 121  
 Hunt, W. Ben, 54*n*1
- Iida, Keisuke, 54*n*1  
*IMF Annual Reports*, 10, 17, 167  
*IMF International Financial Statistics*, 8*n*11, 166, 167  
*IMF Survey*, 2, 10, 15, 17, 27, 28, 36, 47, 48, 50, 167
- International Monetary Fund (IMF), 153, 156, 159, 161, 163, 164  
 International Standard Industrial Classification (ISIC), 149*n*13
- Jager, Edwin A., 1*n*1  
 Jensen, Nathan, 155*n*1  
 Johnson, O., 135, 136  
 Joyce, Joseph P., 91
- Kahler, Miles, 158  
 Kapur, Devesh, 161*n*12  
 Kaufman, Robert R., 12  
 Keefer, Philip, 6*n*9, 98  
 Keohane, Robert O., 20*n*1, 164  
 Kessler, J. J., 155  
 Khan, Mohsin S., 3, 4, 108, 110*n*3, 123, 159  
 Killick, Tony, 3, 121, 156, 158  
 King, Damien, 136  
 King, Gary, 20*n*1  
 Kiondo, Andrew, 13, 31, 32, 62  
 Knack, Stephen, 6*n*9  
 Knight, Malcolm, 12, 13, 18, 106  
 Köhler, Horst, 2  
 Krueger, Anne O., 156*n*5
- Laffont, Jean-Jacques, 75  
 Lancaster, Carol, 25  
 Leeds, Brett Ashley, 54*n*1  
 Levi, Margaret, 6, 20*n*1, 121  
 Lewis, Peter M., 35*n*5  
 Limongi, Fernando, 17, 107, 159  
 Lipson, Charles, 14*n*18  
 Lupia, Arthur, 45
- Macho-Stadler, Ines, 75  
 Malik, Moazzam, 158  
 Manin, Bernard, 158*n*8  
 Mansfield, Edward D., 54*n*1  
 Marcus, Manuel, 158  
 Martin, Lisa, 54*n*1  
 Matthews, Graham, 31  
 McCubbins, Mathew D., 45  
 McGillivray, Fiona, 54*n*1  
 Mesa-Lago, Carmelo, 43  
 Milner, Helen, 54*n*1  
 Mo, Jongrin, 54*n*1

*Author and Source Index*

195

- Montiel, Peter J., 4*n*4, 5*n*5, 12, 108*n*1  
 Moraes, Juan Andrés, 45  
 Mosley, Paul, 1*n*1  
 Munasinghe, Mohan, 155*n*2
- Nelson, Joan, 5  
*New York Times*, 28, 31, 35, 36, 37, 38, 44, 46  
 Niskanen, William A., Jr., 16
- Oatley, Thomas, 158*n*9  
 Olukoshi, Adebayo, 35*n*5  
 Owusu, J. Henry, 155*n*2
- Pahre, Robert, 53, 54*n*1  
 Papadópulos, Jorge, 43, 44, 45, 49  
 Papayouanou, Paul, 53  
 Pastor, Manuel, Jr., 2, 3, 4, 8*n*10, 49, 108, 134, 135, 136, 137, 138, 139, 141, 146, 150, 151, 154, 157, 158  
 Pauly, Louis W., 62  
 Payer, Cheryl, 12  
*Penn World Tables*, 42*f*, 89, 110*n*4, 143, 166, 167, 168  
 Perez-Castrillo, David, 75  
 Poirier, Dale J., 84*n*2, 85*n*3  
 Polak, Jacques J., 10*n*12, 11*n*14, 18, 135, 165*n*16  
 Przeworski, Adam, 17, 18–19, 84*n*2, 89, 107, 118*n*7, 129, 130, 143, 150, 154, 158*n*8, 159, 166, 167, 168  
 Putnam, Robert D., 6, 13, 53, 62, 63, 98, 121
- Ranis, Gustav, 163*n*13  
 Reed, William, 84*n*1  
 Reichmann, Thomas M., 3, 4, 108  
 Reinhardt, Eric, 54*n*2  
 Remmer, Karen L., 11, 13, 54, 62, 153  
 Repetto, Robert, 155*n*2, 156  
 Rial, Juan, 44  
 Rodrik, Dani, 142, 143  
 Rosendorff, B. Peter, 54*n*1  
 Rosenthal, Jean-Laurent, 20*n*1  
 Roubini, N., 100*n*9
- Sachs, Jeffrey, 100*n*9, 150*n*15, 157*n*6  
 Salop, J., 135, 136
- Santaella, Julio A., 4, 12, 13, 18, 62, 63, 106, 108  
 Schadler, Susan, 16, 53, 64  
 Schelling, Thomas C., 14, 53, 63, 73, 88, 92  
 Schooley, Helen, 44  
 Scott, James C., 6*n*8  
 Shapley, L. S., 16  
 Shome, Parthasarathi, 136*n*1  
 Shubik, Martin, 16  
 Signorino, Curtis S., 84*n*1  
 Simmons, Beth A., 2*n*3, 14*n*17, 50*n*12, 87*n*4  
 Sisson, C. A., 135, 136  
 Smith, Alastair, 84*n*1  
 Sobel, Joel, 74  
 Solow, Robert, 6*n*9  
 Spaventa, Luigi, 13, 62, 63  
 Spence, Michael, 9  
 Squire, Lyn, 137  
 Stein, Howard, 13, 26, 27, 28, 31, 33, 62  
 Stephens, John D., 46  
 Stiglitz, Joseph E., 73, 75, 161  
 Stiles, Kendall W., 10  
 Stillson, Richard T., 3, 4, 108  
 Stokes, Susan C., 5*n*6, 158*n*8  
 Stone, Randall W., 15*n*19, 47, 53, 64, 159  
 Sturm, Robynn Kimberly, 156  
 Summers, Robert, 17, 129, 130, 143  
 Svensson, Jakob, 153, 163*n*13
- Tanzi, Vito, 155, 161  
 Taylor, Lance, 11, 12  
 Thacker, Strom, 16, 158  
 Tirole, Jean, 75  
 Tobin, James, 162  
 Tsebelis, George, 14, 64, 98
- United Nations Development Programme, 138  
 United Nations National Accounts, 137*n*2
- Van Dorp, M., 155  
 Vaubel, Roland, 13, 16, 57, 62, 75, 157

196

Subject Index

Verba, Sidney, 20*n*1  
 Vreeland, James, 16, 65*n*8, 84*n*2, 98,  
 118*n*7, 146*n*11, 156  
 Wallerstein, Michael, 150, 154  
 Walsh, Patrick, 98  
 Weingast, Barry R., 20*n*1  
 Willett, Thomas D., 1*n*1, 16  
 Williamson, John, 135  
 Wolf, Klaus Dieter, 54*n*2

World Bank, 21, 33*n*3, 49*n*10, 50*n*11,  
 130, 149*n*13  
*World Development Indicators*, 26*f*, 51,  
 89, 130, 166, 167  
*World Income Inequality Database*,  
 138  
 Yackee, Jason, 158*n*9  
 Zeckhauser, Richard, 9

## SUBJECT INDEX

Africa, 28. *See also* individual countries  
 Angola, 114, 122  
*Articles of Agreement*. *See* International  
 Monetary Fund  
 Arusha Declaration (Tanzania; 1967), 26  
 Arusha Initiative (Jamaica, Tanzania;  
 1980), 28  
 Balance of payments: bad policy and,  
 10, 27; country quotas and, 162;  
 current, capital, and financial  
 accounts, 8*n*11; economic stability  
 and, 158–60; excessive demand and,  
 11; IMF definition of, 8*n*11; IMF  
 focus on, 2, 8–10, 15, 89, 93–6, 103,  
 135; income distribution, 137; loans  
 versus conditions, 93–6; net errors  
 and omissions, 8*n*11; world financial  
 stability and, 92. *See also* Control  
 variables; Specifications, of selection  
 into IMF programs  
 Before-after approach. *See* Research  
 methods  
 Belgium, 10*n*13, 11  
 Bolivia, 11, 75, 108, 109  
 Brazil, 24  
 Bretton Woods, 8, 35*n*5. *See also*  
 Exchange rates; Gold standard  
 Budget deficit: effect on economic  
 growth, 110–12, 123–4, 126, 154–5;  
 effect on income distribution, 136;  
 effect on selection into IMF  
 programs, 13, 87–91, 93–7, 100*n*9,  
 153; loans versus conditions, 51,

55–62, 93–6; lowering or cutting, 2, 11,  
 51, 62, 64–5, 66–74, 75–6, 126, 161,  
 164, 165; in Tanzania, 27, 28, 31; in  
 Uruguay, 42–3, 44, 47, 48, 50. *See also*  
 Conditions and conditionality; Control  
 variables; Specifications, of selection  
 into IMF programs  
 Buhari, Muhammadu (government  
 leader; Nigeria), 38  
 Camdessus, Michel (IMF Managing  
 Director, 1987–2000), 2, 8, 164  
 Canada, 156, 157  
 Capital stock growth. *See*  
 Specifications, of economic growth  
 Central African Republic, 23, 24  
 Chad, 23, 24  
*Chama Cha Mapinduzi* (CCM;  
 Tanzania), 31, 32  
 Colombia, 11, 75  
 Compensatory Financing Facility. *See*  
 International Monetary Fund –  
 arrangements  
 Conditions and conditionality: benefits  
 from, 24–5; economic growth and  
 stabilization, 2, 3; loans versus  
 conditions, 51, 55–62, 93–6; logic of  
 using IMF conditionality, 62–73;  
 political aspects, 11–12, 13–14, 53,  
 62; preferences over loans and  
 conditions, 55–62; reform of, 156,  
 160–2; role of, 1, 9; types of  
 arrangements and, 10, 27. *See also*  
 individual countries

## Subject Index

197

- Continuing agreements, 17–18, 39, 74–6, 83, 87, 88–9, 97
- Control variables: for economic growth, 126; for selection into IMF programs, 92–3. *See also* Specifications; Statistical estimation, robustness checks
- Congo, Republic of, 23–4, 149–50
- Costa Rica, 75
- Council on Foreign Relations, 1
- Counterfactuals. *See* Statistical estimation
- Currencies: currency devaluation, 9, 11, 27, 28, 31; currency in IMF agreements, 10, 12, 15, 26, 63; regulation, 2, 30, 135. *See also* Exchange rates; Gold standard; Foreign reserves
- Current account. *See* Balance of payments
- Data sources and datasets, 17–19, 21, 26*f*, 100–3, 129–30, 134–5, 137*n*2, 137*n*3, 138, 141*n*6, 149*n*13, 160
- Davidson-Fletcher-Powell (DFP) method, 106
- Debt: crisis (1982), 2, 30; effect on economic growth, 110–12, 126; effect on selection into IMF programs, 3, 13, 87, 100*n*9, 153; rejection costs and, 47, 53, 72; repayment, 150, 156–7; rescheduling, 14, 64, 72, 157*n*6; in Uruguay, 41–2, 48. *See also* Control variables; Specifications, of selection into IMF programs
- Deforestation. *See* Environmental issues
- de Larosière, Jacques (IMF Managing Director, 1978–1987), 28
- Democracies and dictatorships, 73, 88, 92, 97, 98, 102–3, 143. *See also* Labor issues; Political issues; Specifications, of selection into IMF programs, of labor share; individual countries
- Developing countries, 14, 35, 47, 62–3, 64. *See also* Economic growth and development
- Dominican Republic, 6
- Duration, 17–18, 126. *See also* Continuing agreements; Statistical estimation; Statistical models; Recidivism
- East Asian financial crisis (1997–1998), 1, 2, 3
- Economic growth and development: capital and owners of capital, 127, 147–51; distributional effects, 49–50, 134–51, 152, 154, 164–5; economic growth, 3–4, 19, 107–33, 152, 153–6, 160; economic stability, 158–9; gross domestic product (GDP), 12–13, 17, 129–30; high-quality growth, 2, 164; IMF goals and funding, 2, 86, 156–8; methodology, 17, 103, 147–8; policy implications, 160–5; stabilization and adjustment, 2–3, 11, 86, 158–60. *See also* Production function; Statistical models; individual countries
- Economic reform: in Nigeria, 36, 37; pushing through, 13–15, 62–5, 103, 126, 134, 153, 163; self-selection of reforms, 161; in Tanzania, 28, 30–1, 32–3; in Uruguay, 41–4, 44, 46, 47–51, 149. *See also* Governments; Governments – participation in IMF agreements; Labor issues; Political issues
- Economist Intelligence Unit*, 50
- Ecuador, 150
- EFF (Extended Fund Facility). *See* International Monetary Fund – arrangements
- Egypt, 6, 24
- Enhanced Structural Adjustment Facility (ESAF). *See* International Monetary Fund – arrangements
- Environmental issues, 155–6
- Elections. *See* Political issues
- El Salvador, 75
- ESAF (Enhanced Structural Adjustment Facility). *See* International Monetary Fund – arrangements

- Europe, Eastern, 159  
 Exchange rates, 2, 8, 28. *See also*  
   Currencies; Gold standard  
 Extended Fund Facility (EFF). *See*  
   International Monetary Fund –  
   arrangements
- FDI. *See* Foreign direct investment  
 Fiscal discipline. *See* Budget deficit  
 Foreign direct investment (FDI), 51, 92,  
   93, 155*n*1. *See also* Investment  
 Foreign exchange. *See* Foreign reserves;  
   International Monetary Fund  
 Foreign reserves: bad policies and,  
   9–10, 11; country quotas and, 162;  
   effect on economic growth, 110–12,  
   123–4, 126; effect on selection into  
   IMF programs, 3, 13, 87–91, 93–7,  
   100*n*9, 153; government issues,  
   21–2, 86, 87, 103, 126; IMF  
   agreements and, 3, 12, 20–4, 87, 89,  
   91, 103; IMF reforms, 162; loans  
   versus conditions, 51, 55–62, 93–6;  
   in Nigeria, 22, 34, 35; proxy for  
   need of a loan, 20–5; in Stand-By  
   Arrangements, 10; in Tanzania, 23,  
   24, 25, 26, 27, 28–9; trade  
   liberalization, 31; in Uruguay, 22,  
   35*n*4, 39–40. *See also* Conditions  
   and conditionality; Control  
   variables; Specifications, of selection  
   into IMF programs  
 France, 16, 156, 157  
*Frente Amplio* (Uruguay), 43–4,  
   46
- G-5 countries, 16, 156, 157  
 G-7 countries, 156, 157  
 Game theoretic approaches, 13–15,  
   55–60, 64–6, 66–76, 77–82  
 GDP (Gross domestic product). *See*  
   Economic growth and development  
 Germany, 16, 156, 157  
 Ghana, 6  
 Gold standard, 2, 8, 29–30, 135  
 Governments: accountability of, 11;  
   budget deficit reduction, 154–5;  
   continuing and recurrent  
   agreements, 75, 91, 97, 102;  
   decision-making process, 22, 24,  
   62–74, 77–82, 83; decision making  
   of executives, 66–71, 77–82; foreign  
   reserves, 21–2, 86, 87, 103, 126;  
   government spending, 43, 44, 48, 51,  
   62, 87, 136, 155, 161; moral hazard  
   and, 11; political issues, 13–14, 15,  
   98, 153; public employment, 136;  
   risks of, 65; role in IMF agreements,  
   12, 46–7, 53, 63, 65, 163; shirking  
   blame and responsibility, 13, 71;  
   trust of, 75–6. *See also* Political  
   issues; individual countries  
 Governments – participation in IMF  
   agreements: implementation and  
   structuring of IMF agreements, 136,  
   146, 154–5; loans versus conditions,  
   62–73, 93–100; reasons for entering  
   into agreements, 12–16, 20–52, 75,  
   87, 89–106, 134, 152–3; societal  
   support and, 6, 163–4; views and  
   advantages of IMF conditions, 3,  
   11–12, 24–5, 51, 62, 72, 87, 97–8,  
   102. *See also* Democracies and  
   dictatorships; Economic growth and  
   development; Political issues;  
   Statistical models  
 Gross domestic product (GDP). *See*  
   Economic growth and development  
 Guyana, 22, 23, 24, 75
- Haiti, 18, 75  
 Hazard Rates (Inverse Mill's Ratio). *See*  
   Statistical estimation  
 High-quality growth. *See* Economic  
   growth and development  
 Honduras, 11  
 Humphreys, Norman, 5
- IMF. *See* International Monetary Fund  
 IMF agreement or program. *See*  
   International Monetary Fund –  
   arrangements  
 Incentives. *See* Governments;  
   Governments – participation in IMF  
   agreements; International Monetary  
   Fund; Political issues

## Subject Index

199

- Income distribution studies, 137–9. *See also* Labor issues; Poor
- Indonesia, 6
- Inflation, 12, 41*f*, 158, 159. *See also* Control variables; individual countries
- Institutions. *See* Democracies and dictatorships; Veto power and veto players; International Monetary Fund; Ratification
- Inter-American Development Bank, 48
- International Financial Institutions  
 Advisory Committee (Meltzer Commission), 1, 161, 162
- International Monetary Fund (IMF):  
 accountability, 16, 75, 157–8;  
*Articles of Agreement*, 2, 10, 15, 22, 33, 52, 87*n*4; contributions and quotas, 9, 10, 26–7, 162; data sources, 17–19; financial structure, 9; flexibility of, 14, 15–16, 28, 52, 54, 64, 88; foreign exchange availability, 57–8; incentives, 156–8; information asymmetry, 16, 67, 69, 73–4, 75, 89; as lender of last resort, 9, 162; negotiation posture, 52, 54; number of program participants, 29–30, 37, 38, 88–9, 92; ownership and selling of programs, 11, 163–4; principal-agent issues, 75, 157–8; reforms of, 1, 2–3, 153, 156, 158, 160–5; riots, 6; safeguarding of Fund resources, 15–16, 83, 96; Special Drawing Rights (SDR), 27*n*2; technocratic concerns and issues, 15, 57, 57–9, 67, 72–3, 93, 102; transparency, 84, 164; votes and voting power, 9, 16, 157.
- International Monetary Fund – arrangements: as defined by loans and conditions, 12, 55;  
 Compensatory Financing Facility, 11*n*15; Enhanced Structural Adjustment Facility (ESAF), 10, 74–5; Extended Fund Facility (EFF), 10, 11, 36, 37, 74–5; Oil Finance Facility, 11*n*15, 27, 36; Poverty Reduction and Growth Facility (PRGF), 11; Stand-By Arrangement (SBA), 10–11, 18, 27, 36, 39, 46, 47, 74, 150; Structural Adjustment Facility (SAF), 10, 11, 74–5; Supplementary Financing Facility, 36
- International Monetary Fund – imposition of conditions: country economies and, 58, 61, 62–74, 83, 87, 88, 92, 93, 96; government criticism of, 28; loans and lending, 1–2, 9, 10–12, 14, 15, 16, 26, 51, 60–1, 93–100; negotiations, 29–30, 33, 52, 54, 66–74, 77–82, 88, 98; random shocks, 27; reasons for entering into agreements, 12–16, 20–5, 62–4, 92–100, 152–3; sanctions, 14–15, 64, 159; selection of countries, 4–7, 15; strategies, 2, 9, 10, 16, 87; unconditioned loans, 11*n*15; unobserved factors, 3, 5–7
- International Monetary Fund – role and goals: economic development and stability, 1–3, 15, 29–30, 86, 88, 92, 135, 157, 158, 159, 161–2; maintenance of exchange rates, 8–9; political issues, 13, 15, 135, 153; reform of IMF, 153, 156; trade, 33, 61–2, 67
- Investment: IMF agreements and, 29, 47, 53, 64, 87, 96–7, 102, 153, 155; private and public investment, 150, 154–5; in Tanzania, 29, 32–3; in Uruguay, 41–2, 51
- Italy, 63, 156, 157
- Jamaica, 6, 75
- Japan, 16, 156, 157
- Kenya, 75
- Köhler, Horst (IMF Managing Director, 2000–), 2
- Korea, South, 18, 75
- Labor force growth. *See* Specifications, of economic growth

- Labor issues: in democracies and dictatorships, 143; IMF and labor share of manufacturing income, 49–50, 134–5, 139–51, 153, 154, 164; IMF reforms, 160, 161, 164–5; mistrust of IMF, 6; repression of labor and wages, 150, 157, 161, 163; research methods, 137–9; unions in Uruguay, 43, 44, 46
- Lacalle Herrera, Luis Alberto (President; Uruguay), 42, 44–5, 46, 48–9, 50, 149
- Latin America, 2–3, 40. *See also* individual countries
- Liberia, 18, 75
- Loans and conditions. *See* Balance of payments; Budget deficit; Conditions and conditionality; Foreign reserves; Governments – participation in IMF agreements; International Monetary Fund – arrangements; Political issues
- Madagascar, 75, 108, 109
- Manley, Michael (President; Jamaica), 28
- Meltzer Commission. *See* International Financial Institutions Advisory Committee
- Methods. *See* Research methods; Specifications; Statistical estimation; Statistical models
- Mexico, 24
- Microconditionality, 161
- Missing data. *See* Statistical estimation
- Moral hazard, 9, 11, 62, 103, 162, 163
- Morocco, 75
- Mwinyi, Ali Hassan (President; Tanzania), 31–2, 38
- Myanmar (Burma), 22
- Nicaragua, 11, 24
- Nigeria: agriculture, 35; balance of payments deficits, 24, 33–4, 36; democratic and military governments, 36, 37, 38; economic reforms, 36, 37; foreign reserves, 22, 34, 35; IMF agreements, 22, 34–5, 35*n*5, 36, 37–8, 76; IMF conditions, 16, 35*n*5, 36, 37–8, 52, 53; Oil and Supplementary Financing Facilities, 36; petroleum production and prices, 34, 35, 36; political issues, 35–8, 54
- Nonrandom selection. *See* Research methods; Statistical estimation; Statistical models
- Nyerere, Julius (President; Tanzania), 26, 28, 30, 31
- Oil Finance Facility. *See* International Monetary Fund – arrangements; individual countries
- Panama, 18, 75
- Paraguay, 11, 75
- Paris Club, 14, 64
- Partido Blanco* (Uruguay), 43, 44–5, 46
- Partido Colorado* (Uruguay), 43, 44–5, 46, 48
- Per capita income. *See* Economic growth and development; Purchasing power parity; Specifications; Statistical models
- Peru, 11, 18, 75
- Poland, 24, 36, 63
- Political issues: domestic and international leverage, 53–4, 62–3; elections, 36–7, 38, 72, 87–8, 91, 97, 102; IMF involvement and, 13–15, 16, 38, 51, 54, 62–3, 135, 136, 153, 164–5; loans versus conditions, 93–100; political will, 3, 5–6, 16, 25, 52, 76, 87, 103, 104, 114, 121, 154, 161, 163; shirking blame and responsibility, 13, 71; structuring of economic reforms, 146, 147; “tipping the balance,” 13, 63, 92, 98, 163; trust, 13, 51, 75–6, 104, 114, 121, 154, 163; unpopular policy, 13, 14, 15, 16, 49, 51, 54, 74, 87, 152, 163. *See also* individual countries
- Political leverage. *See* Political issues



## Subject Index

201

- Political will. *See* Political issues  
 Poor, 49, 135, 137, 154  
 Portugal, 22, 114  
 Poverty Reduction and Growth Facility (PRGF). *See* International Monetary Fund – arrangements  
 PRGF (Poverty Reduction and Growth Facility). *See* International Monetary Fund – arrangements  
 Principal-agent relationships, 75, 157–8  
 Probit. *See* Statistical models  
 Production Function, 110*n*4, 118. *See also* Specifications; Statistical models  
 Purchasing power parity (PPP), 17, 129–30  
  
 Quotas. *See* Balance of payments; Foreign reserves; International Monetary Fund  
  
 Ratification, 12  
 Recidivism, 13. *See also* Continuing agreements  
 Regime. *See* Democracies and dictatorships; Specifications, of selection into IMF programs, of labor share  
 Rejection and rejection costs: economic effects, 29, 51, 17–53, 63–5, 72, 87, 91, 153; executive decision making, 77–82; IMF effects, 52; in a model of IMF conditionality, 62–74; political factors, 14, 54*n*2, 63, 76; sanctions, 14, 16. *See also* individual countries  
 Research methods: before-after approach, 4, 108–9, 137, 158; controlling and correcting for selection effects, 8, 83, 107, 110–14, 118–21, 130–3, 142*n*7, 146, 147, 153–4, 159; effects of IMF programs, 121–30, 137–9; general issues, 3–4, 7; selection and specification bias, 102, 110, 111, 113–14, 116, 117, 120–1, 123, 127, 129, 130–3, 137, 138, 141, 145; selection of case studies, 20–5; with-without approach, 4, 108, 109–10, 113, 123, 159. *See also* Game theoretic approaches; Statistical models  
 SAF (Structural Adjustment Facility). *See* International Monetary Fund – arrangements  
 SBA (Stand-By Arrangement). *See* International Monetary Fund – arrangements  
 Scapegoat, 13. *See also* Governments; Governments – participation in IMF agreements; Political issues  
 Second image reversed, 14, 54. *See also* Conditions and conditionality; Political issues; Political leverage; Unpopular policy  
 Selection. *See* Research methods; Specifications; Statistical estimation; Statistical models  
 Senegal, 23, 75  
 SDR (Special Drawing Rights). *See* International Monetary Fund  
 Shagari, Alaji Shehu (President; Nigeria), 36, 37, 52  
 Shirking blame and responsibility. *See* Governments  
 Sovereignty costs: government and government executive, 65, 76, 78, 92; history of IMF agreements, 38, 51, 87, 91, 102; IMF agreements and, 11–12, 71–2, 75, 83, 88, 102, 103; negotiating postures and, 66–9, 79, 80; political issues, 51, 52, 54, 62, 72, 87–8; other countries and, 51, 87, 91, 102  
 Special Drawing Rights (SDR). *See* International Monetary Fund  
 Specifications: of economic growth, 118, 126–9; of labor share, 142–6; of selection into IMF programs, 89, 93–103. *See also* Control variables; Statistical estimation; Statistical models  
 Spending cuts. *See* Budget deficit

- Stand-By Arrangement (SBA). *See* International Monetary Fund – arrangements
- Statistical estimation: counterfactual observations and estimation, 114–15, 127; country-specific effects, 127, 141, 141–2*n*6, 143, 146; errors and error terms, 7–8, 18, 104, 106, 110, 115–16, 117, 131, 145; estimation of probability, 85–6, 106; hazard rates, 60*n*5, 116–21, 127, 129, 141, 145; missing data, 19, 100, 102, 108*n*2, 127; observed and unobserved variables, 5, 7–8, 17–19, 83, 85–6, 87, 103–4, 105–6, 107, 110–15, 116–17, 118–21, 123, 131–2, 153–4, 159; partial observability, 84; randomness, 3, 7, 8, 115, 116; random samples, 60*n*5; random and nonrandom selection, 4–5, 7–8, 19, 20–1, 83, 103, 106, 107, 108, 109, 110, 114, 116, 117, 123, 134, 145, 147, 152–3; robustness checks, 127–9. *See also* Continuing agreements; Statistical models
- Statistical models: “barebones” growth model, 111, 118, 129, 133; of bilateral IMF-government cooperation, 83–106; bivariate models, 84, 104; dynamic bivariate probit with partial observability, 84–7, 105–6; dynamic models, 84–5, 105; economic growth model, 117, 118–30; “full” model, 3, 19, 89, 108, 115, 122, 138; labor share of manufacturing income, 141–6; Government and IMF objectives, 89; “stripped” or “large sample” models, 100–3, 127–8, 139
- Structural Adjustment Facility (SAF). *See* International Monetary Fund – arrangements
- Sudan, 23
- Supplementary Financing Facility. *See* International Monetary Fund – arrangements
- Sweden, 36
- Tanzania: 1975 agreement, 26–7, 33; 1980 agreement, 27–30, 32–3; 1983 agreement rejection, 29, 33; 1986 agreement, 32, 33, 37; advantages and costs of IMF conditions, 24, 29, 33; budget deficit, 27, 28, 31; economic reforms, 28, 30–1, 32–3; foreign reserves, 23, 24, 25, 26, 27, 28–9; IMF conditions, 16, 25, 27–30, 31, 33, 36, 53, 76; investment in, 29, 32–3; National Economic Survival Program, 30–1; Oil Fund Facility purchases, 27; participation in IMF agreements, 24, 25, 26, 28–9; political issues, 28, 31, 32–3; socialism in, 26, 28; Structural Adjustment Program (SAP), 31; trade, 31; Uganda and, 27. *See also* Mwinyi, Ali Hassan; Nyerere, Julius
- Technocracy and technocrats: IMF and, 15, 57, 57–9, 67, 72–3, 93, 102; in Uruguay, 45
- Tobin, James, 162
- Togo, 75
- Trade: balance of payments problems, 162; beggar-thy-neighbor policies, 9; foreign reserves and, 21–2, 26; income redistribution and, 135; international free trade, 8, 163; liberalization of, 136; as a predictor of IMF participation, 12; wage deflation and, 136
- Transparency. *See* International Monetary Fund
- Trust. *See* Political issues
- Turkey, 22, 75
- Two-level games, 53–4
- Tying hands, 53, 54*n*2. *See also* Conditions and conditionality; Political issues; Political leverage; Unpopular policy
- United Kingdom, 16, 156, 157
- United States, 16, 156, 157, 158. *See also* Gold standard
- Unobserved variables. *See* Statistical estimation
- Unpopular policy. *See* Political issues

## Subject Index

203

- Uruguay: 1961–1963 agreements, 43;  
 1966–1973 agreements, 43;  
 1975–1987 agreements, 39, 43, 44,  
 47*n*9; 1990 agreement, 39, 46–50,  
 75, 149; 1992 agreement, 50;  
 advantages derived from IMF  
 conditions, 24, 25; agriculture, 43;  
 balance of payments deficit, 39;  
 budget deficit, 42–3, 44, 47, 48, 50;  
 debt, 41–2, 48; democratic and  
 military governments, 43–4;  
 economic issues and reforms, 41–4,  
 44, 46, 47–51, 149; electoral system,  
 44*n*6, 45; foreign reserves, 22, 35*n*4,  
 39–40; IMF agreements, 24, 75,  
 76–7; IMF conditions, 39, 46, 47,  
 49, 51, 53; labor share of income,  
 149; national referendum, 45–6,  
 48–9, 50; political issues, 43–7,  
 48–50, 51, 54; privatization, 48–9;  
 trade issues, 50; welfare state in, 43.  
*See also* *Partido Blanco*; *Partido*  
*Colorado*; Lacalle Herrera, Luis  
 Alberto
- Veto power and veto players, 14, 16,  
 46–7, 53, 62, 63–5, 69–70, 72, 73,  
 98–100, 102–3
- With-without approach. *See* Research  
 methods
- World Bank, 17, 21, 48, 130
- World Income Inequality Database*  
 (WIID; UN), 49
- Yugoslavia, 75
- Zaire, 18, 75
- Zambia, 75