Compliance with the IMF conditionality: Selection Bias and Conditions on Social Policy

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Abstract

What determines the conditions attached to the IMF programs? And in turn, what determines recipient countries' compliance with the IMF programs? These two questions have long been debated in the literature, but, for the most part, have not been studied in tandem. The literature has generally assumed that the IMF conditionality is exogenous to compliance and the speed of economic adjustment. Yet, a few scholars have more recently argued that the scope and intrusiveness of conditionality is determined by domestic and international factors, alike. Specifically, it is been shown that conditions largely depend on US interests as well as on the power of labor groups. These recent findings appear even more puzzling if one assumes that conditionality is independent of compliance. For example, should not domestic factors, such as labor groups- which affect conditionality- also affect compliance? Or should not countries that are strategically important to the USA be less compliant? This paper seeks to investigate the complex relationship between the IMF conditionality and compliance. It is argued that treating the two inter-connected issues of conditionality and compliance as independent of each other causes serious sample selection bias. Conditionality packages are not exogenous to the process of compliance and assuming so leads to biased estimates of compliance. By correcting for this bias through a Heckman-Probit selection model, this study aims to understand the determinants of the IMF conditionality and compliance in social policy by using a new dataset based on the IMF's Monitoring of Fund Arrangements (MONA) database. The findings reveal that the studies on IMF compliance should not be analyzed separately than the conditionality (selection) question. The factors that affect the countries' likelihood of receiving social conditions are tied to their likelihood of compliance.

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Introduction

On Feb 9, 2012, Greek doctors, health workers and pharmacists walked off the job and marched to the parliament to protest against an IMF reform aimed at cutting health spending[1]. Last year in Ukraine, thousands of protesters including trade unions and the political opposition groups took to the streets to block the pension reform promised under Ukraine's obligations for the IMF loan. These kinds of protests have been common in countries that negotiate on the conditions attached to the IMF programs or that attempt to pass the necessary legislations promised under the IMF programs. For instance, a report by World Development Movement, an UK based NGO focusing on poverty and development related issues, reveals the fact that, only within 2002, there were 113 separate episodes of civil unrest directed at the IMF involving more than a million people protesting in 25 countries.[2] Given the widespread of political upheaval against the IMF programs, can we suggest that these groups are successful in blocking the negotiations between the IMF and the borrowing country? Do they have an effect on the outcome of the IMF programs and the conditions attached to these programs? Even after the initial agreement, can they block the reforms in the domestic level? This study attempts to answer these questions by focusing on the factors that determine conditionality and compliance with the IMF programs. The main argument of this paper is that, these questions are interlinked and should be studied in tandem.

The literature on the IMF revolves around several important questions. This paper specifically interested in two of these. What determines the conditions attached to the IMF programs? And in turn, what determines recipient countries' compliance with the conditions

[1] See http://www.trust.org/alertnet/news/greek-doctors-protest-against-euimf-reforms/ for details.
[2] See 'States of Unrest II: Resistance to IMF Policies in Poor Countries' (2003).

attached to the IMF programs? These two questions have long been debated in the literature, but, for the most part, have not been studied in tandem.

This is surprising since recent research on the IMF conditionality and compliance provides an interesting puzzle regarding the IMF conditionality and its effect on domestic policies. The literature has generally assumed that the IMF conditionality is exogenous to compliance and the speed of economic adjustment. Yet, a few scholars have more recently argued that the scope/intrusiveness of conditionality is determined by domestic and international factors, alike. For instance, Stone (2008) provides evidence of the US interference during crises in politically important countries. Moreover, Caraway (et. all) (2012) suggest that there are domestic factors that affect the substance of the IMF conditionality. Through the analysis of labor-related conditionality in the IMF, they argue that 'democratic countries with stronger domestic labor receive less intrusive labor-related conditions in their IMF loan programs' (Caraway, 2012: 27). Moreover, Woo (2010) argues that the IMF is strategic in limiting its conditions in vulnerable countries. By the analysis of the IMF program conditions on the public, fiscal and financial sector reforms, Woo shows that the domestic politics of the borrowing country exerts a significant influence on the design of the IMF programs.

These recent findings appear even more puzzling if one assumes that conditionality is independent of compliance. For example, should not domestic factors, such as labor groups- which affect conditionality- also affect compliance? Or should not countries that are strategically important to the US be less compliant? This paper seeks to investigate this complex relationship between the IMF conditionality and compliance. It is argued that treating the two inter-connected issues of conditionality and compliance as independent of each other causes serious selection bias. Conditionality packages are not exogenous to the process of compliance and assuming so leads to over-estimation of compliance. To the extent that the IMF programs and conditions attached to them are not determined by systematic patterns, selection is random and not critical. However, if the design of the IMF programs and selection of conditions are not random, we have to account for the effect of selection on compliance. By correcting for this bias through a selection model, this paper shows that previous studies have under-estimated compliance because they assume it is independent of conditionality. More importantly, this paper shows that the IMF is strategic in its program design by taking into consideration the vulnerabilities and domestic underlying conditions of the borrowing country. This suggests that the IMF strategically enforces certain conditions depending on the borrowing country's characteristics. This in turn affects the level of compliance. Thus we only see certain conditions imposed when they are more likely to be implemented in the domestic level. This paper provides one of the first studies to test this link between strategic design of conditionality and compliance.

This paper also introduces two important methodological innovations. As indicated above, this paper attempts to prove the selection mechanism between the IMF conditionality and compliance. For this aim, this paper uses a new dataset based extracted from the IMF's Monitoring of Fund Arrangements (MONA) database. This new dataset includes all of the Fund's arrangement between 1992 and 2003. Secondly, this study uses a disaggregated measure of conditionality and compliance. Unlike the common tendency in the previous literature that analyzes conditions and compliance without differentiating specific policy dimensions, the focus of this study is only on the conditions related to reforms in social policy.

Literature on the IMF: The Conditionality and Compliance

The IMF has been the main international lending institution since the end of WW2 with nearly 95 percent of the countries as its members. Each country holds a currency reserve at the

Fund which depends on the size and importance of the member country's economy. Traditionally, countries such as the US, Japan, Germany, France and the United Kingdom have been the largest contributors and have had the most voting power. The IMF provides lending tools to the countries under economic distress. Its main tool during this lending process is the *Conditionality Requirements* that are attached to each agreement and loan. In return for continued disbursements of its loans, borrowing countries must implement specific policy conditions designed based on their economic conditions and the Fund's suggestions.

These conditions generally come out of a negotiation process between the Fund and the borrowing countries' finance ministries and are reflected in the official Letter of Intent signed by the executive branch of the borrowing government. By the approval of this letter by the Fund, the agreement goes into effect. With the subsequent reviews, the Fund disburses the loan in series of installments to monitor compliance. Thus, each subsequent loan disbursals depends on the successful compliance of the borrowing country.

The IMF programs involve basically two components: the loan and the conditions attached to the loan. With economic stability and development as the goal, the IMF defines certain measures that are adequate to respond to economic crisis. These conditionality requirements have become the basis for domestic reforms and adjustment during the crises. For instance the IMF conditionality requires fiscal austerity (e.g., raising taxes and cutting expenditures), tight monetary policy (e.g., raising interest rates and limiting credit creation), and structural reforms (e.g., privatization and pension reform). By analyzing these different dimensions, various studies documented the IMF's impact on financial liberalization, economic openness and development (Stiglitz, 2004; Vreeland, 2004; Chwieroth, 2008). For instance, the IMF programs effect on the welfare state have been well-documented. Nooruddin and Simmons

(2006) showed the significant impact of the IMF programs on the health and education expenditures. While they found a positive impact of the IMF programs on spending under dictatorships, this relationship is reversed in democracies where the IMF programs have a statistically significant negative effect on health and education expenditures. Moreover, the literature on the IMF programs also suggests that its implementation creates economic problems, cycles of austerity, social and political upheavals, and government repression (Abouharb and Cingranelli, 2007 & 2009; Garuda, 2000).

In addition to this literature that focuses on the economic and political impacts of the IMF, the research on the IMF conditionality involves two crucial questions. Initially, the IMF conditionality involves the question of which countries get which conditions and why. This is generally considered as the selection question. Secondly debate on the IMF and its conditionality also includes performance/compliance questions that involve the analysis of the determinants of compliance with conditionality requirements. These two questions have been studied independently and selection questions have been considered exogenous to the study of the compliance questions. However, this is one of the weaknesses of the literature on the compliance with the IMF conditionality. The main argument of this paper is that these two processes/questions are interlinked. Given this brief discussion, the focus shifts on the literatures that discuss these two questions.

The Determinants of the IMF conditionality

As indicated above, the conditions attached to the IMF programs are essentially an outcome of negotiations between national governments and the Fund. The literature on the IMF conditionality suggests three important explanations that determine the outcome of these negotiations.

During the negotiations, the IMF's preferences can be motivated by different factors. Initially, the IMF has the technocratic mission to provide financial and technical assistance to the countries in need. Thus, the IMF enforces a neutral policy design based on the underlying economic programs and already existing prescriptions (Pop-Eleches, 2010: 32). Secondly, the IMF favors certain politically important countries based on the preferences of its major stakeholders. Based on this, many studies documented preferential treatment of certain countries due to their geopolitical and political importance (Stone 2002; Dreher 2006). Lastly, the IMF is primarily responsible from 'promoting international monetary cooperation and facilitating the expansion and balanced growth of international trade' (Pop-Eleches, 2010: 35). Any threat to this mission would be prevented by the IMF. Thus the Fund can also favor countries on the basis of their importance for the global economic and financial system and would have the need to tackle the problems in these countries to prevent global economic/financial collapse.

The borrowing countries preferences can be defined on the basis of domestic and international constraints that they face. Initially, the severity of the financial crisis and the need for financial need is critical in negotiations with the IMF. Countries with more severe conditions would be more willing to turn into the IMF and require financial help. Secondly, the borrowing countries are constrained by the domestic preferences and opposition. Thus the distance between the government and the opposition groups' preferences as well as their strength would be critical in both negotiations and implementation. All of these factors that relate to the preferences of the IMF and borrowing country are analyzed in the literature under three dimensions.

The first set of factors focus on the domestic institutions and political constraints that impel governments to pay greater attention to the policy preferences of the relevant parties such as interest and opposition groups. This is mainly due to the fact that the IMF conditions require intensive and painful reforms which have crucial distributional consequences. On the one hand, one argument related to the dynamics of the domestic politics is that governments can use the IMF as a mechanism to lock-in their preferences and evade the constraints of domestic politics. This results in the tendency to accept more conditions[3]. On the other hand, governments constrained by domestic interest and opposition groups would be willing to bargain harder and receive fewer conditions. An example of these dynamics is found in Caraway et. all (2012) who suggest that the power of labor groups affect the substance of the IMF conditionality. Through the analysis of labor-related conditionality in the IMF, they argue that 'democratic countries with stronger domestic labor receive less intrusive labor-related conditions in their IMF loan programs' (Caraway, 2012: 27). Similarly, Woo (2010) suggests that, regarding the conditions that affect public sector, 'democratic countries that are more sensitive to vote losses receive less conditions than non-democratic countries'. Both of these studies document the effect of domestic structures/interests and their effect on the design of the IMF programs.

Second set of factors regarding the IMF conditionality focuses on borrowing country's economic circumstances. The IMF agreements are signed as a response to economic crises and borrowing country's relative vulnerability and her need for loans would impact their bargaining power during the negotiations. The main argument regarding this dimension is that the most vulnerable countries receive the largest number of conditions. This is simply due to the fact that the Fund would maximize conditionality in the neediest countries to stabilize the economy.

Lastly, the negotiations with the IMF and conditions attached the loan programs are affected by geopolitical concerns. One of the main findings in the literature is that, IMF programs are influenced by the major shareholders within the Fund, most importantly the US.

[3] See Smith and Vreeland (2006), Stein (1992), Vaubel (1986), and Vreeland (2003)

Many argued that that the US intervenes in the IMF negotiations during times of economic crisis by favoring its allies and the countries that are critical for its economic interests[4]. For instance, Stone (2008) provides an evidence of the US interference during economic crises in politically and economically important countries and these countries receive less intrusiveness conditions. Stone also argues that, under ordinary times and for ordinary countries, the IMF has the broader authority and adjusts conditionality to accommodate local circumstances and domestic political opposition.

This review of the literature on conditionality provides the initial puzzle for this study. As it can be seen, country's domestic political and economic conditions as well as geopolitical concerns determine the intrusiveness of conditions attached to loan programs. Thus, there are reasons to suspect that we might have biased our estimates of compliance if we disregard these dynamics that lead to selection in the conditions. It may simply be the case that countries' compliance rate is higher simply due the fact that they receive fewer and less intrusive conditions to start with. Or they might negotiate and agree on the conditions that they might comply with. If this is the case, then it might be difficult to distinguish whether the compliant behavior with the IMF conditions is attributable to an independent set of factors or the factors that determine them in the first place. Thus it is necessary to take into account the selection effect in order to have a robust understanding of the determinants of compliance.

The Determinants of Compliance

[4] For examples, Broz and Hawes (2006), Dreher and Sturm (2006), Dreher et al. (2006), Oatley and Yackee (2004), Stone (2002, 2004), Thacker (1999).

Similar to the literature on the conditionality and the design of the IMF programs, many studies documented domestic political, economic factors as well as geopolitical interests as being relevant for understanding compliance.

Initially, the literature emphasizes certain domestic political factors relevant to the study of compliance and successful program implementation. For instance, Ivanova et al. (2001) find that several domestic political factors influence the level of compliance with the IMF conditions. Using the MONA dataset of 170 IMF programs approved between 1992 and 1998, they find that the presence of strong special interests in the legislature, degree of political cohesion, political instability, effective bureaucracy and political turnover are critical for compliance. By expanding the same dataset to include all the 197 IMF programs from 1992 to 2002, Nsouli, Atoian, and Mourmouras (2004) find that lower levels of political violence lead to lower disbursements of the loan and greater chance of an irreversible interruption. They also find that political variables such as quality of bureaucracy, democratic accountability, external conflict, religious tensions, and socioeconomic conditions rating have no impact on the compliance. In line with these studies, Mecagni (1999) points out the political changes and civil instability as sources of program breakdowns.

Within this general debate of political factors, some authors focus specifically on the regime characteristics and certain democratic institutions. For instance, both Dreher (2006) and Joyce (2004) find that democracies are more likely to comply than dictatorships. Joyce also points out that higher degree of partisan polarization makes compliance less likely under democracies as well. However, Dreher (2006), by using a different measure of compliance, argues that these political factors are not relevant for compliance. In a related study, Dreher (2004) argues that successful complete of the IMF programs prior to the elections increases the likelihood of re-election. Dreher (2003a) also argues that non-compliance or program suspensions are more likely prior to elections but this effect is smaller in democratic countries than autocracies. Lastly, Edwards (2003) also shows that democratic countries with fractionalized legislatures tend to have a poorer records of compliance. These countries are also more likely to be sanctioned by the IMF.

Moreover, not only political characteristics but also preferences of the relevant actors in the domestic level can be critical in compliance. Schadler et al. (1995) argue that it is necessary to have national commitment to successfully complete the IMF programs. Similarly, the IMF's own evaluations (2001b) also point out the importance of the willingness of the governments for successful implementation. Vreeland, (1999) by focusing on the divergence of interests in the domestic level, also argues that the successful implementation of the IMF programs are constrained by the different interest groups. This is in line with the argument that the governments can use the IMF programs to lock in their preferences and gain bargaining leverage over the domestic opposition groups even in the absence of economic conditions for signing the IMF agreements. Similar to Vreeland, Drazen (2001) and Mayer and Mourmouras (2002) emphasize the importance of special interest groups and veto players that can veto reforms in the domestic level.

In addition to these political factors, the literature also emphasizes the relevance of certain economic factors. For instance, Killick (1995), through the analysis of the programs between 1979 and 1993, analyzes at the actual credit disbursement by the end of a program relative to the amount initially committed as a criterion for compliance. The results show that while the countries with higher external debts tend to have break-downs in their IMF programs, better current account deficit results in successful completion of the IMF programs. Moreover, Nsouli, Atoian, and Mourmouras (2004) find that economic variables such as GDP per capita, inflation, fiscal deficit, current account, investment profile rating, size of the IMF quota, or economic growth have not been statistically significant as well.

Lastly, geopolitical interests play a role in the disbursement of loans and program suspensions. For instance, Stone (2002) argue that the IMF is less likely to suspend the programs in politically relevant countries which are identified by the size of their IMF quotas, the availability of the US and OECD aid. Thus the incentives for non-compliance can be higher for countries that are strategically and politically important to the major stakeholders in the IMF, most importantly to the US.

The main conclusion based on this review of the IMF compliance literature is that the political factors in the domestic level have been more critical than the economic factors. Political willingness of the borrowing country, the preferences of the important domestic actors such as special interest groups or the opposition would be influential on the implementation of the IMF reforms. Similarly, the domestic political environment and institutions under which these actors operate are vital as well. Regime type and certain domestic institutions such as electoral mechanisms and checks/balances play a role. The evidence regarding the effect of economic factors are more mixed than the literature on the determinants of conditionality. Lastly. Similar to the conditionality literature, geopolitical factors affect the likelihood of being punished by the IMF due to non-compliance and thus increase the incentives for non-compliance.

Moreover, the previous literature has disregarded the link between the conditionality and compliance. Certain domestic/international factors not only affect the design of the IMF programs but they also influence the outcome of the implementation process. This would be the focus of the following sections and this paper tests for this possible link between conditionality and compliance.

With this aim in mind, this study relies on a disaggregated measure of compliance and focuses only on the social policy conditions and reform. This is mainly due to the arguments by Vreeland who states that the IMF compliance is not straightforward (Vreeland, 2006: 360). Vreeland simply argues that there is a need to use disaggregated measures of compliance rather than aggregated ones since the politics regarding different dimensions of policy conditions may be constrained by different international and domestic factors. It is clear that the distributional consequences of each specific reform would vary with these policy dimensions. Thus, the actors, their preferences and their effect on the negotiation outcomes would vary along different policy dimensions as well..

Moreover, previous studies considered variations in conditions attached to the IMF programs as non-existent and employed aggregate measures of compliance. By considering a simple dichotomous variable that differentiates countries participating in an IMF program from those not participating, these studies attempted to analyze the determinants and consequences of the IMF arrangements. This approach seems to be appealing since it provides an 'overall indicator to settle the compliance debate' (Vreeland, 2006).

However this approach is problematic in certain respects. For instance since the IMF conditionality span over many dimensions such as budget deficit, interest rates, currency valuations and structural reforms, there occurs a problem of how to weight these various components (Vreeland, 2006). Moreover, compliance with these different dimensions can be related to peculiar domestic and international underlying factors. For instance, compliance on raising interest rates can be constrained by different groups and their preferences than compliance with pension system reform. Thus, the borrowing countries' structural factors would influence the compliance in different areas. However, a disaggregate approach does not attempt to compare across policy dimensions but looks at compliance within one policy area. Instead of looking at one overall measure such as program interruptions and disbursement of loans, this approach recognizes that the determinants and consequences of compliance in different policy dimensions may not be the same. Based on this reasoning, this paper introduces a disaggregated measure of compliance and focus on the conditions and compliance with social policy. This is very important for the arguments of this paper as well. By focusing on specific preferences and domestic underlying conditions, this study disentangles the link between conditionality and compliance.

Why social policy conditions?

It is very unlikely that citizens care about every condition related to the IMF programs. Certain conditions can be more critical due to their direct effects than other conditions which would not be salient in the political discourse. Thus, the conditions that have crucial direct effects on the well-being of the citizens can be considered more important. Traditionally, reforms in the labor market and welfare state have been one of the areas that have had critical distributional consequences.

For instance, the new politics perspective (Pierson 1996, 2001) suggests that interests in maintaining the welfare state are much more concentrated than the opposition. Welfare state beneficiaries are generally well defined groups such as pensioners, the long-term sick and the unemployed. These groups have a strong common interest to defend the contemporary arrangements and existing benefits. On contrary, supporters of welfare retrenchment are generally more diffused since gains from welfare retrenchment are uncertain and widespread.

Moreover, many empirical studies suggest that voters react differently to losses and gains, as they react more intensely to negative rather than positive risks (Pierson, 1996). They would evaluate any reform that result in negative redistributive shifts more intensely, resulting higher levels of opposition and protests. This has been the case for social policy reforms that have direct effects on the well-beings of the individuals. Thus, all of these make it easier for beneficiaries to collectively organize and influence the decision-makers, thus making it very costly to advocate welfare retrenchment and labor market reforms. It is also well known that success of the public would also relate to the power of certain interest groups that represent their interests. Since working class organizations/labor unions have been the main beneficiaries of welfare state and main representatives for the labor groups, the more power and influence they have over the decision-making process, the less likely it is to have retrenchment.

Based on this brief discussion, the choice of social policy as the focus of analysis is threefold. Initially, the comparative political economy literature provides crucial insights regarding conditions under which social policy reform is possible. Thus, it is easier to draw inferences regarding the determinants of conditionality and compliance for social policy. Secondly, reform in these areas has been the target of the IMF programs regularly. However, not all of the arrangements include conditions on social reform. Both of these factors are critical in order to analyze the selection effect. Focusing on a specific area of policy reform and conditions is necessary since selection models require a random selection in the first stage. Lastly, the reforms in social policy are highly contested due to their crucial distributional consequences and effects on the well-being of the citizens. There are also important domestic groups such as organized labor interests that influence the policy outcomes. Thus by relying on clear expectations for social policy reform, this study analyzes the likelihood of having social conditions attached to the loan programs in the selection model (conditionality model) and the likelihood of compliance with these conditions in the outcome model (compliance model).

The Main Argument

Given the literature on conditionality and compliance, the main argument of this paper is that the design of the IMF programs and conditions attached to them are linked to compliance with these conditions. Thus the main expectation is that the selection mechanism should be significant and we would underestimate the factors that determine compliance if we do not account for the selection. This means that the estimates of compliance would be significantly different with controlling for the selection effects than without controlling for the selection effects.

This study also accounts for both of these processes, i.e. the negotiations on the design of the IMF programs and the process of implementation. Thus it is necessary to understand how the relevant factors would affect the bargaining power of the IMF and the borrowing country in the first stage, and the implementation of the conditions in the second stage.

Initially, since the focus is on the social policy conditions, the expectation is that the power of the special interest groups would be critical for both the design and implementation. Countries with powerful labor groups would consider the preferences of these actors. Thus, they would bargain harder and receive less conditions on social policy. Similarly, we would expect the labor groups to have an effect on the implementation as well. Moreover, the underlying institutional characteristics should be accounted for. Democracies tend to comply more than autocracies. But there is no significant finding regarding the effect of democracy on the design of programs. Both of these should be accounted.

The economic conditions are critical for the design of institutions but seem to be not so relevant for the implementation process. Countries that are more vulnerable and in need of the IMF lending would be more reluctant to sign the IMF agreements and accept the conditions attached. Their bargaining position vis-a-via the IMF is weaker than countries with better economic conditions. Similarly, the same underlying conditions would affect the incentives to successfully implement reforms and maintain the loan disbursement. Thus, it is expected that countries with more severe economic conditions would be more likely to receive harsher conditions. They would also be more inclined to comply.

Lastly, geopolitical interests are critical in affecting the bargaining positions of both the IMF and the borrowing country. Countries that are strategically and politically relevant to the US would be less likely to receive social conditions in their programs. The IMF's bargaining position is weakened since the US would pressure to limit the intrusiveness of the conditions attached to the programs. Moreover, the borrowing country's likelihood of compliance decreases since they would be less likely to be punished for non-compliance. Even if these countries receive social conditions, they would be less willing to comply with these conditions.

Based on these expectations, this study analyzes both the selection mechanism and specific domestic/international factors that determine the design of the IMF programs and compliance.

Research Design

The main argument of this paper is that the research on compliance should account for the selection effects. If the previous literature on conditionality is correct in their analysis that certain factors condition the negotiations on the IMF loan agreements and lead to fewer conditions, than it is not possible to distinguish whether the compliant behavior with these conditions is attributable to an independent set of factors or the factors that determine them in the first place.

It is possible to correct for this selection bias by controlling for the observable determinants of nonrandom selection of the countries under the IMF programs through implicit assumptions regarding the drivers of the selection process. This just assumes that countries under the IMF programs that receive social conditions are systematically different than countries that do not receive these conditions. By accounting for the observable factors such as domestic political factors, economic conditions and geopolitical factors that are discussed in the literature review, one can account for selection mechanism.

However, some of the factors that are critical in understanding conditionality and compliance are not readily observable. They might have a systematically significant effect on determining the countries that receive social conditions and their likelihood of compliance. For instance, one unobservable factor that is critical for the purposes of this study is political will or willingness of national governments to comply. This is also discussed in the literature review as one of the critical factors. It is true that the IMF does not necessarily observe the willingness of the governments to implement the reforms. Thus, non-compliance with the IMF programs can be associated with the lack of political will. For instance, Vreeland (2003) argues that political will can be an important unobservable that should be accounted. Vreeland suggests that, 'Suppose the Fund continues signing agreements only with countries that have high levels of political will. If political will also affects economic growth, then one will overstate the effectiveness of IMF programs if one fails to control for this unobserved determinant of participation and performance. The Fund may not be involved just with the basket cases, but, in particular, with the basket cases that want to do better.‘ Similarly, the IMF would enforce social conditions only under conditions that make it more likely to comply.

Another unobservable that is also discussed by Vreeland (2003: 6) is societal trust to the government. For instance, the governments with higher levels of societal trust may be less willing to participate in the IMF agreements and would be less willing to comply. Because the costs of the IMF programs would be critical for them. The domestic veto points or special interest groups would have lower levels of trust to their government. Thus, they would assume that the government has not done its best in negotiating a better program. This would mean that they would be less willing to cooperate with the government and comply with the reforms. On contrary, higher levels of trust would make it easier for the government to gain the support of these groups during implementation process.

As it can be seen, accounting for the selection mechanism does not only involve the observables but also the unobservables that would affect both conditionality and compliance. When we take into account the observables in the analysis, we predict the outcomes on the basis of the variation in these variables. However, our predictions are different than the actual observed outcomes (Vreeland, 2003). The difference between the two is the error term which actually accounts for the unexplained or the unobserved. If these error terms are randomly distributed across countries that receive social conditions and that do not, there should not a correlation between the error terms of the selection (conditionality) and outcome (compliance) equations. However, a correlation between the two would indicate non-random distribution of unobserved factors across the countries with and without social conditions attached to their IMF programs (Vreeland, 2003). Thus, if this study is right to assume that the selection mechanism is significant, it means that the unobserved factors that drive conditionality also drives the compliance. This necessitates the use of selection-corrected estimates of compliance.

With these problems of selection in mind, this study uses Heckman selection models to estimate the compliance with the IMF conditions independently of selection. Since both the selection and outcome equations involve binary dependent variables, Heckman Probit Models are used to assess the link between conditionality and compliance. In the first stage, selection equation models the likelihood of having social conditions for each arrangement. In the second stage, the outcome equation models the likelihood of complying with these social conditions given that the program already includes conditions on social policy.

One limitation of the Heckman Probit model is the problems of identification. The literature provides different answers to the problem of identification. In technical terms, the Heckman model is identified when the same set of independent factors that are included in the selection equation are also included in the outcome equation. This identification occurs on the basis of the distributional assumptions about the residuals but not about the variation in the explanatory variables itself. This is justified under certain conditions. For instance, Sartori (2003) believes that it is possible to have identical explanatory variables for both the outcome and selection equation if three conditions hold: '1) selection and subsequent outcome of interest involve similar decisions or goals 2) the decisions have the same causes 3) the decisions occur within a short time frame and/or are close to each other geographically' (Sartori, 2003: 112).

Sartori also proposes a maximum likelihood estimation for the use of identical explanatory variables under the assumption that the error term for an observation is the same in both equations. Sartori's solution and method performs better than regular Heckman models with identical explanatory variables. However Sartori also suggests that 'when theory suggests identical explanatory variables and a high degree of selection bias, but not the sign of the correlation between the errors (a situation likely to be rare), the Heckman estimator is the best choice, although still a poor option. However, when theory points to identical explanatory variables and implies that the errors are correlated in a particular direction, the new estimator gives considerably better results than either probit or the Heckman-type estimator' (Sartori, 2003: 131). Moreover, Sartori suggests that, the Heckman models would perform well if the sample size approaches infinity and the error terms are truly normally distributed.

Given these limitations of the Heckman models and difficulty of theorizing identical explanatory variables, the solution is to include at least one extra explanatory variable that influences selection but not the subsequent outcome of interest (Achen, 1986: 99). This is called as exclusion restriction, in many cases which is very difficult to satisfy. What is required for this study is to have an independent variables that affects the likelihood of receiving social conditions but not the implementation. The proposed variable to this identification problem is the number of IMF programs that include social conditions. This variable predicts the likelihood of receiving social conditions but not the likelihood of complying with these conditions. These variables is lagged for one year and included in the selection equation.

In order to check the robustness of the results, two separate estimates are provided, one with the identical explanatory variables and the second with the exclusion restriction in the selection equation.

Dataset

This article uses a new data set extracted from the IMF's MONA database, which covers the IMF arrangements concluded with the borrowing countries between 1992 and 2003. There are in total 349 IMF programs included in the dataset. The complete set of programs can be found in the appendix.

Dependent variable for the selection equation

Within this dataset, since the focus is on the social conditions, I coded each condition attached to each IMF program. These are the areas that are relevant for this study and that are coded as social policy conditions: public pension reforms (reducing costs and changing public pension system) and reforms in health and education expenditures or systems.

Initially, the IMF conditions that involve social policy dimensions are coded as 1, all other policies are coded as 0. In the dataset, there are a total of 349 different arrangements signed between the Fund and the borrowing country[5]. These 349 arrangements that include a total of 8170 conditions attached. 280 of these are social policy conditions. However, the unit of analysis for this paper is each IMF arrangement since the main interest of this paper to have an understanding of the likelihood of receiving social conditions attached to the arrangements. Thus, each arrangement that includes at least one social condition is coded as 1 and all the rest is coded as zero. In the final analysis, nearly one third of all of arrangements include social conditions (124 out of 349 arrangements). Total number of arrangements in the selection equation is 349. For the outcome equations, only 124 of them which are coded as 1 in the selection equation are included in the analysis.

Dependent variable for the outcome equation

As a part of the arrangements, the IMF reviews compliance and ensures that countries comply for the disbursement of each additional loan. Based on these reviews, the MONA dataset gives the compliance record for each condition. Thus, after coding social policy conditions, I

[5] The complete list of arrangements included in this analysis can be found in the Appendix 1.

coded if the borrowing country met the conditions or not. If the condition is met (meaning that the actual reform is undertaken), it is coded as 1 and if it is not met (meaning that the reform is not undertaken), it is coded as 0. Since the unit of analysis for this paper is each arrangement, then I calculated a corresponding measure for the social compliance record for every arrangement. If each social condition is met for a given arrangement (meaning full compliance with social conditions), then it is coded as 1. If there is at least one social condition that is not met, then it is coded as zero. In other words, the corresponding dependent variable is a binary variable taking the value of 1 for compliance and 0 for non-compliance for each arrangement. All the variables that are coded zero in the selection equation dependent variables are missing values for this variable. While the 28 of these arrangements are coded as 0 (meaning non-compliance), 96 of the arrangements are coded as 1 (meaning compliance).

Main Independent Variables

Selection of independent variables is guided by the literature on conditionality, compliance and social policy reform. The literature on social policy reforms point out important domestic actors and interests groups for the analysis of social reform. It is generally argued that central decision makers are subjected to the influence from interest groups, which can block retrenchment if there is a high intensity of support (Vis et.all, 2010). Thus, we can expect reform or cuts where the intensity of support is lowest or where interest groups are poorly organized. Traditionally, these interests groups have been working class organizations such as leftist parties and labor unions. Their weaknesses and influence on decision makers can be critical for reform. One clear indication is that in countries in which these groups are poorly organized or unable to influence the political outcomes, reform is more likely. Thus, I'll control for the power of labor organizations in a given country.

Moreover, it is necessary to control for certain political factors. One important difference is between democracies and autocracies. Thus, a democracy dummy variable is included in the analysis. The literature also points out the need to integrate controls for the economic conditions in a country. Thus, I included certain economic variables to control for these. Lastly, international factors such as the geopolitical interests and the US influence have been considered critical. Thus, I included a proxy to control for the US influence. This is the list of independent variables and their operationalization.

Labor Power

I'll use a proxy for labor power—overall collective labor rights score—that is comparable across developing countries and captures the dynamic nature of labor's influence. This measure, developed by Mosley (2000), is constructed as following: When one of the three sources reports a violation for a country for one of the thirty seven elements listed in the Labor Rights Coding Template, we assign a score of "1" for that category and year. If no violation is reported for a given category, we assign a score of zero. We then multiply these scores by the weighting (which increases with the severity of the violation) for each category; the sum of these category scores provides the annual measure of overall collective labor rights violations. If a violation is recorded more than once in a source, or in multiple sources, the maximum (unweighted) score per category remains one. Higher values indicate lower violations of collective labor rights, thus better collective labor rights score.

Democracy Dummy

I'll use PolityIV to identify democracies and autocracies. Democracies are coded as 1 and autocracies are coded as 0. Countries with scores higher than 6 are coded as democracies and countries with lower scores are coded as autocracies.

Control variables

Veto Players: The existence of veto players can both affect the negotiations on the conditions and the process of compliance. Thus, it is included in the analysis. This variable comes from World Bank Database of Political Institutions and counts the number of veto players in the country. The governments that operate within higher number of veto players would have to consider the interests of these different actors and would be more likely to bargain harder to receive fewer conditions. Similarly, the more the number of veto players, the more difficult to comply with the conditions.

Net bilateral aid flows from DAC donors, United States: Net bilateral aid flows from DAC donors are the net disbursements of official development assistance (ODA) or official aid from the members of the Development Assistance Committee (DAC). This variable is a proxy for the donor effects. I expect that more bilateral aid going to a borrowing country from the United States would mean that this country is more important for the US. We know from the literature on conditionality that US favors its strategic allies which get less conditions to start with. Thus, I expect that US influence should operate through bilateral aid since these countries would be less willing to comply with conditions since they won't be punished for their actions. This variable comes from the World Bank Database of Economic Policy and External Debt**.**

Short-Term Debt: Short-term debt (% of total reserves) variable measures the borrowing countries' need for the IMF loans. This variable comes from the World Bank's World Development Indicators. It is expected that the countries with higher values of short-term debt would be willing to accept conditions more easily and would comply in order to receive the loans from the IMF.

GDP Growth: Annual GDP growth is also included in the analysis in order to assess the economic conditions in the country. Lower values of growth would indicate worse economic conditions and higher likelihood of participating in the IMF programs as well as higher likelihood of compliance. This variable also comes from the World Bank's World Development Indicators.

GDP Per Capita: GDP per capita is included into the analysis to control for the overall level of development in the country. This variable also comes from the World Bank's World Development Indicators.

For the selection equation in the model, all of the independent variables are lagged one year in order the account for the effect of the factors at time t-1 on the agreement with the IMF in time t. For the outcome equation, all of the independent variables are the values at time t in which the agreement with the IMF is concluded.

Results

Table 1 gives the results of the two Heckman-Probit models. Model 1 includes the identical explanatory variables in the both outcome and selection equation. Model 2 includes the exclusionary restriction in the selection equation. The most important information regarding the purposes of this paper is that we fail to reject the null that the selection and outcome equation is independent of each other at the .05 significance level for both Model 1 and Model 2. Thus, this supports the idea that the compliance is not exogenous to the process of conditionality.

Table 1 : Heckman-Probit Selection Models for Conditionality and Compliance

	MODEL 1: With Identical IVs		**MODEL 2: With Exclusionary Restriction**	
	Outcome Equation (DV: Social Compliance)	Selection Equation (DV: Social Dummy)	Outcome Equation (DV: Social Compliance)	Selection Equation (DV: Social Dummy)
	b/std.er.	b/std.er.	b/std.er.	b/std.er.
Labor Rights	**-0.019***	**-0.020****	-0.011	**-0.015***
	0.012	0.010	0.012	0.010
Democracy	**0.040***	0.096	**0.037***	0.175
	0.022	0.174	0.020	0.180
Veto Points	0.057	**0.117****	0.075	**0.097****
	0.072	0.050	0.074	0.046
Short Term Debt	0.000	**0.000***	0.000	0.000
	0.000	0.000	0.001	0.000
The US Aid	**-0.031***	-0.008	**-0.030****	-0.005
	0.016	0.010	0.015	0.009
GDP per capita	0.000	0.000	0.000	0.000
	0.000	0.000	0.000	0.000
GDP growth	**0.034***	-0.017	**0.030***	**-0.022***
	0.020	0.012	0.018	0.013
# of programs with social conditions				**0.036****
				0.013
Constant	**-1.171****	-0.319	**-1.374****	**-0.800****
	0.453	0.322	0.445	0.363
athrho	1.853		5.879	
	0.952		62.121	
rho	0.952		0.998	
	0.089		0.002	
chi2(1) =	**3.92****		**6.010****	
N	287		287	
Censored N	193		193	
Uncensored N	94		94	

*** p<0.001; ** p<0.05; *p<0.1

There are also additional robustness tests to confirm that the selection mechanism is significant, the model specifications are correct and the Heckman-Probit models capture different dynamics than a Probit model on the outcome equation. Initially, I performed a Suest test, which estimates the simultaneous (co)variance of the coefficients in the Heckman and Probit Models.

The table below provides the results of this test first by focusing on the differences between the Heckman models (both Model 1 and Model 2) and the Probit model as a whole. I confirm with this test that, Heckman-Probit models (both Model 1 and Model 2) and Probit models produce significantly (at .05 level) different estimates.

Table 2: Test of the differences between the Heckman Models and the Probit Model

	Model 1	**Model 2**
test [heckman_compliance_dummy = probit_compliance_dummy]		
chi2(7) =	**17.35****	**17.91****
Prob > chi2 =	0.0152	0.0124

Lastly, I focus specifically on the independent variables and the estimates under both Heckman Probit model and Probit Models.

Table 3: Comparison of Coefficients from Heckman Selection and Probit Models

	Model 1: Outcome Equation	Probit Model		Model 2: Outcome Equation	Probit Model	
	Coef.	Coef.	Difference	Coef.	Coef.	Difference
Labor Rights	-0.019	-0.004	-0.015	-0.011	-0.004	-0.007
Democracy	0.040	0.059	-0.019	0.037	0.059	-0.022
Veto Points	0.057	0.010	0.048	0.075	0.010	0.066
Short Term Debt	0.000	0.001	-0.001	0.000	0.001	-0.000
The US Aid	-0.031	-0.042	0.010	-0.030	-0.042	0.012

GDP Per Capita	-0.000	-0.000	-0.000	-0.000	-0.000	0.000
GDP Growth	0.034	0.060	-0.025	0.030	0.060	-0.030

As it can be seen from the Table 3, there are significant differences between the outcome equation of the Heckman Probit models and Probit model without accounting for the selection. One clear difference is that, without accounting for the selection effect, the effect of important variables such as democracy, labor rights and GDP growth are under-estimated. More importantly, while the labor rights variable is not significant in the probit model, it is significant in the Heckman probit models.

Based on the discussion above, this study provides support for the idea that selection effects are critical in understanding compliance with the IMF conditionality. It is not possible to understand compliance without accounting for the conditions that affect the design of the IMF programs. The IMF strategically enforces social policy conditions and this effect the likelihood of compliance as well.

Substantive analysis of the results

After providing support for the selection mechanism, the analysis now focuses on the substantive interpretation of the results in the Heckman probit model.

Initially, the focus is on the selection equation that analyzes the likelihood of receiving social conditions attached to IMF loan programs. We see from the results that, both Model 1 and Model 2 provides similar results. For both models, the variables on collective labor rights and veto players significantly predict the likelihood of receiving social policy conditions in the IMF programs. As expected, having better collective labor rights have a significantly negative effect on the likelihood of receiving social conditions. Since this variable is a proxy for the power of the labor groups, it can be argued that countries with more powerful labor groups bargain harder and receive fewer social policy conditions. This is a confirmation of the findings of Caraway et.all (2012) and shows the effect of domestic groups on IMF negotiations. We also see that the number of veto players is positively related to the social policy conditions. This indicates that, higher the number of veto players, the higher the likelihood of receiving social policy conditions attached to the IMF programs. This result is surprising since the expectation was the opposite effect. One possible explanation for this can be that the government can manipulate the fragmentation and lock-in their own policy preferences despite the opposition by certain labor groups. Still, this result requires further analysis.

Moreover, the analysis reveals that other controls such as the US bilateral aid and democracy dummy are not significant predictors of receiving social conditions. While the GDP growth is positive and significant in Model 1, short-term debt is negative and significant in the Model 2. Both of these are in line with the arguments that better economic conditions decrease the likelihood of receiving harsher conditions in general. For the analysis here, better economic conditions result in less likelihood of receiving social conditions. However, these findings are not robust across different models.

Another surprising finding is that, although the US bilateral aid has the expected negative sign, it is not significant. This is contrary to the general finding in the literature regarding the effect of geopolitical concerns. This may mean that the US does not necessarily intervene regarding the conditions on social policy. In overall, the effect of domestic groups indicates that the IMF takes into account the concerns of borrowing country without the pressures by the US.

Lastly, the exclusion restriction in the selection equation for Model 2 is significant. This means that the number of programs in the previous year with social conditions is a significant predictor of having social conditions in the IMF arrangements.

Now the focus is on the outcome equation. These models look at the likelihood of compliance with social conditions (given that they receive social conditions). For this model, we again similar results for both Model 1 and Model 2. The coefficients for democracy, the US bilateral aid and GDP growth variables are significant. The veto players and short-term debt variables are not significant. These results provide interesting insights regarding compliance with social conditions.

The main difference between Model 1 and Model 2 is that, collective labor rights variables is only significant in Model 1. This means that the countries with better collective labor rights score are less likely to comply. This is in a way confirmation of the fact that social policy reforms have been difficult to advocate and costly for decision-makers since beneficiaries from these policies are widespread, collectively organized in many cases and can influence policy-making process. We see the effect of labor groups not only during the negotiations but also during the reform process.

One might question the logic behind this finding. Why might the government be responsive to the demands of these special interest groups in the implementation process if they already commit to their interest during the negotiation process? One possible reason for this finding can be the unobservables discussed before, namely the trust of these special interest groups to the government. These special interest groups are not necessarily participants of the negotiations between the IMF and the borrowing government. Thus, their information regarding the bargaining process is limited. Thus, the groups that lack trust to their government, can suspect that their government has done their best in order to reach the best possible outcome. This lack of trust in a way results in pressuring the government in both stages.

In addition to this, the results indicate that democracies are more likely to comply than autocracies. This may be related to the reputational concerns. The democratic governments invest more on international reputational costs of compliance. For instance, one of the implications of non-compliance would be sending negative signals to the international markets and to the Fund as well. Thus, this would increase the incentives for the democratic governments to comply given that they receive social conditions.

Moreover, although the US bilateral aid is not significant for the selection equation, it decreases the likelihood of compliance for the countries that receive (on average) more bilateral aid. Thus, being a strategic ally to the US can be beneficial for the countries that receive social conditions. This may be due to the fact that the countries that have strategic ties to the US would consider their ties with the US as a way of getting away with non-compliant behavior.

Lastly, countries with higher growth levels also tend to comply more with the social conditions. This also can be a sign of sending positive signals of compliance to the international markets.

Conclusion

During times of economic crisis, the IMF has been the primary source of lending for many countries in the global arena for the last couple of decades. By providing a source for recovery, the Fund in return has demanded policy reforms for the aim of global economic stability and development. Many people have criticized the IMF's role, aims and results of its actions. The debate focused on the conditions attached in the IMF programs and their political and economic consequences. This study is an attempt to provide insights to this debate by focusing on the middle way between these two dimensions, namely on the compliance with IMF conditions. The contribution of this paper can be summarized within four points.

Initially, the most important finding of this paper is the confirmation of the sample selection bias in the previous studies of compliance with IMF conditions. With a Heckman-Probit analysis of the compliance with social policy, this study reveals the fact that the studies on IMF compliance should not be analyzed separately than the conditionality (selection) question. The factors that affect the countries' likelihood of receiving social conditions are tied to their likelihood of compliance as well. The IMF not only strategically designs its programs but also the compliance is affected by the design. This might be the case for other international institutions as well. Participation of the states into international institutions might be driven from certain international and domestic conditions. This might in turn affect their behavior of compliance. One example can be WTO in which actors selectively use the dispute settlement mechanisms as opposed to certain bilateral treaties. Thus in the study of the compliance, which is basically a manifestation of cooperative behavior, one might consider the selection issues and study them accordingly.

Secondly, this paper provides an understanding of the one of the critical dimension of the IMF programs, social policy conditions. The reform in these areas is crucial due to their distributional consequences and the immense pressure it puts on the public at large. For instance, the recent negotiations between the Troika and Greek government are a clear example of this. The proposed budget cuts that involved reforms in labor markets and social policy demanded by TROIKA[6] has created social upheaval in Greece and resulted in protest movements. This has been the case for several countries as well in which tensions between the government and public/social groups rose during the implementation of IMF programs. Thus, it is critical to have

[6] TROIKA is the name given to the tripartite committee that organizes the loans and policy responses within the European Union with respect to countries such as Greece, Spain and Ireland. TROIKA consists of the European Commission, European Central Bank and the IMF.

an understanding of IMF demands and reforms in these areas. This study has been one of the first attempts to have an understanding of the determinants of compliance in social policy. The main finding of this paper is that countries with better collective labor right violations are not only less likely to receive social policy conditions but also they are less likely to comply with these conditions. This highlights the need to understand the domestic factors that determine compliance and also points out the specific mechanisms through which this operates.

Thirdly, this study has used a disaggregated measure of conditionality and compliance by building on the theories provided by the comparative economy literature to derive the important domestic conditions/actors. This is critical since the recent literature on IMF compliance, by using aggregate measures compliance, suggested that there is no clear pattern of compliance. However, this paper shows that this is expected since different policy conditions are affected by different underlying domestic conditions and preferences. Thus, the IMF literature on compliance should focus on different dimensions of reforms such as tax policies, central banks or capital account liberalization which have all clear theoretical predictions regarding important domestic actors and conditions. It is up to future research to identify the determinants of compliance in these areas. Findings regarding importance of domestic actors is crucial since contrary to the general belief that the IMF has the leverage over borrowing countries, this findings suggest that there is a room for domestic politics/actors to play in relation to IMF. Not only they may negotiate harder and receive less intrusive conditions, but also they might affect the compliance levels as well.

Finally, this study introduces a new dataset extracted from the IMF's MONA database. This study is limited in the sense that it focuses only on the IMF arrangements between 1992-2003. The next step would be to expand the dataset to include the IMF arrangements after 2003 to have a broader time frame and observations. One problem in this respect is finding a better and comprehensive proxy for the power of the labor groups. Since most of the countries in the dataset are developing or under-developed countries, finding a comprehensive measure of labor power is problematic.

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APPENDIX 1: List of the IMF Arrangements Included in this Study

Arrangement Number	Country Name	Arrangement Type	Approval Year
1	ALBANIA	ESAF	1993
272	ALBANIA	ESAF	1998
316	ALBANIA	ESAF	1998
406	ALBANIA	PRGF	1998
507	ALBANIA	PRGF	2002
77	ALGERIA	SBA	1994
84	ALGERIA	EFF	1995
117	ALGERIA	ESAF	1993
119	ARGENTINA	EFF	1992
281	ARGENTINA	EFF	1998
328	ARGENTINA	SBA	2000
508	ARGENTINA	SBA	2003
510	ARGENTINA	SBA	2003
92	ARMENIA	SBA	1995
142	ARMENIA	ESAF	1996
215	ARMENIA	ESAF	1996
284	ARMENIA	ESAF	1996
376	ARMENIA	PRGF	2001
159	AZERBAIJAN	SBA	1995
197	AZERBAIJAN	ESAF	1996
198	AZERBAIJAN	EFF	1996
291	AZERBAIJAN	ESAF	1996
403	AZERBAIJAN	PRGF	2001
511	BANGLADESH	PRGF	2003
134	BELARUS	SBA	1995
73	BENIN	ESAF	1993
106	BENIN	ESAF	1993
107	BENIN	ESAF	1993
201	BENIN	ESAF	1996
286	BENIN	ESAF	1996
335	BENIN	PRGF	2000
97	BOLIVIA	ESAF	1994
176	BOLIVIA	ESAF	1994
219	BOLIVIA	ESAF	1994
260	BOLIVIA	ESAF	1998
324	BOLIVIA	PRGF	1998
410	BOLIVIA	PRGF	1998
512	BOLIVIA	SBA	2003
242	BOSNIA AND HERZEGOVINA	SBA	1998
506	BOSNIA AND HERZEGOVINA	SBA	2002
308	BRAZIL	SBA	1998

401	BRAZIL	SBA	2001
513	BRAZIL	SBA	2002
80	BULGARIA	SBA	1994
181	BULGARIA	SBA	1996
202	BULGARIA	SBA	1997
294	BULGARIA	EFF	1998
398	BULGARIA	SBA	2002
3	BURKINA FASO	ESAF	1993
105	BURKINA FASO	ESAF	1993
120	BURKINA FASO	ESAF	1993
230	BURKINA FASO	ESAF	1996
231	BURKINA FASO	ESAF	1996
287	BURKINA FASO	ESAF	1996
301	BURKINA FASO	ESAF	1999
514	BURKINA FASO	PRGF	2003
93	CAMBODIA	ESAF	1994
170	CAMBODIA	ESAF	1994
325	CAMBODIA	ESAF	1999
35	CAMEROON	SBA	1994
124	CAMEROON	SBA	1995
251	CAMEROON	ESAF	1997
267	CAMEROON	ESAF	1997
314	CAMEROON	ESAF	1997
351	CAMEROON	PRGF	2000
248	CAPE VERDE	SBA	1998
515	CAPE VERDE	PRGF	2002
34	CENTRAL AFRICAN REPUBLIC	SBA	1994
264	CENTRAL AFRICAN REPUBLIC	ESAF	1998
346	CENTRAL AFRICAN REPUBLIC	PRGF	1998
112	CHAD	SBA	1994
128	CHAD	ESAF	1995
194	CHAD	ESAF	1995
259	CHAD	ESAF	1995
329	CHAD	PRGF	2000
323	COLOMBIA	EFF	1999
503	COLOMBIA	SBA	2003
419	CONGO, DEMOCRATIC REPUBLIC OF	PRGF	2002
118	CONGO, REPUBLIC OF	SBA	1994
206	CONGO, REPUBLIC OF	ESAF	1996
4	COSTA RICA	SBA	1993
137	COSTA RICA	SBA	1995
30	COTE D'IVOIRE	ESAF	1994
104	COTE D'IVOIRE	ESAF	1994
204	COTE D'IVOIRE	ESAF	1994
257	COTE D'IVOIRE	ESAF	1998
516	COTE D'IVOIRE	PRGF	2002

69	CROATIA	SBA	1994
199	CROATIA	EFF	1997
393	CROATIA	SBA	2001
517	CROATIA	SBA	2003
144	DJIBOUTI	SBA	1996
322	DJIBOUTI	PRGF	1999
518	DOMINICA	SBA	2002
519	DOMINICA	PRGF	2003
539	DOMINICAN REPUBLIC	SBA	2003
39	ECUADOR	SBA	1994
390	ECUADOR	SBA	2000
509	ECUADOR	SBA	2003
9	EGYPT	EFF	1993
200	EGYPT	SBA	1996
8	EQUATORIAL GUINEA	ESAF	1993
138	EQUATORIAL GUINEA	ESAF	1993
189	ESTONIA	SBA	1996
254	ESTONIA	SBA	1997
326	ESTONIA	SBA	2000
10	ETHIOPIA	SAF	1992
103	ETHIOPIA	SAF	1992
113	ETHIOPIA	SAF	1992
207	ETHIOPIA	ESAF	1996
289	ETHIOPIA	ESAF	1996
371	ETHIOPIA	PRGF	2001
40	GABON	SBA	1994
162	GABON	EFF	1995
374	GABON	SBA	2000
270	GAMBIA, THE	ESAF	1998
343	GAMBIA, THE	PRGF	1998
405	GAMBIA, THE	PRGF	1998
520	GAMBIA, THE	PRGF	2002
127	GEORGIA	SBA	1995
171	GEORGIA	ESAF	1996
223	GEORGIA	ESAF	1996
265	GEORGIA	ESAF	1996
348	GEORGIA	PRGF	2001
158	GHANA	ESAF	1995
280	GHANA	ESAF	1995
296	GHANA	ESAF	1999
521	GHANA	PRGF	2003
522	GUATEMALA	SBA	2002
523	GUATEMALA	SBA	2003
240	GUINEA	ESAF	1997
283	GUINEA	ESAF	1997
416	GUINEA	PRGF	1997

417	GUINEA	PRGF	2001
123	GUINEA-BISSAU	ESAF	1995
174	GUINEA-BISSAU	ESAF	1995
224	GUINEA-BISSAU	ESAF	1995
434	GUINEA-BISSAU	PRGF	2000
86	GUYANA	ESAF	1994
156	GUYANA	ESAF	1994
214	GUYANA	ESAF	1994
268	GUYANA	ESAF	1998
415	GUYANA	PRGF	1998
426	GUYANA	PRGF	2002
136	HAITI	SBA	1995
218	HAITI	ESAF	1996
11	HONDURAS	ESAF	1992
111	HONDURAS	ESAF	1992
306	HONDURAS	ESAF	1999
146	HUNGARY	SBA	1996
256	INDONESIA	SBA	1997
275	INDONESIA	EFF	1998
337	INDONESIA	EFF	2000
14	JAMAICA	EFF	1992
155	JORDAN	EFF	1994
235	JORDAN	EFF	1996
304	JORDAN	EFF	1999
505	JORDAN	SBA	2002
108	KAZAKHSTAN	SBA	1994
153	KAZAKHSTAN	SBA	1995
184	KAZAKHSTAN	EFF	1996
331	KAZAKHSTAN	EFF	1999
29	KENYA	ESAF	1993
157	KENYA	ESAF	1996
347	KENYA	PRGF	2000
524	KENYA	PRGF	2003
276	KOREA	SBA	1997
16	KYRGYZ REPUBLIC	SBA	1993
139	KYRGYZ REPUBLIC	ESAF	1994
154	KYRGYZ REPUBLIC	ESAF	1994
212	KYRGYZ REPUBLIC	ESAF	1994
269	KYRGYZ REPUBLIC	ESAF	1998
330	KYRGYZ REPUBLIC	PRGF	1998
362	KYRGYZ REPUBLIC	PRGF	2001
17	LAO PEOPLE'S DEM. REP.	ESAF	1993
116	LAO PEOPLE'S DEM. REP.	ESAF	1993
193	LAO PEOPLE'S DEM. REP.	ESAF	1993
345	LAO PEOPLE'S DEM. REP.	PRGF	2001
71	LATVIA	SBA	1995

175	LATVIA	SBA	1996
252	LATVIA	SBA	1997
321	LATVIA	SBA	1999
400	LATVIA	SBA	2001
98	LESOTHO	SBA	1995
165	LESOTHO	SBA	1994
221	LESOTHO	SBA	1996
354	LESOTHO	PRGF	2001
121	LITHUANIA	EFF	1994
333	LITHUANIA	SBA	2000
404	LITHUANIA	SBA	2001
110	MACEDONIA (FYR)	SBA	1995
216	MACEDONIA (FYR)	ESAF	1997
249	MACEDONIA (FYR)	ESAF	1997
373	MACEDONIA (FYR)	PRGF	2000
395	MACEDONIA (FYR)	EFF	2000
433	MACEDONIA (FYR)	SBA	2003
209	MADAGASCAR	ESAF	1996
310	MADAGASCAR	ESAF	1996
359	MADAGASCAR	PRGF	2001
65	MALAWI	SBA	1994
131	MALAWI	ESAF	1995
229	MALAWI	ESAF	1995
285	MALAWI	ESAF	1995
409	MALAWI	PRGF	2000
20	MALI	ESAF	1992
101	MALI	ESAF	1992
102	MALI	ESAF	1992
179	MALI	ESAF	1996
208	MALI	ESAF	1996
263	MALI	ESAF	1996
309	MALI	ESAF	1999
22	MAURITANIA	ESAF	1992
167	MAURITANIA	ESAF	1992
168	MAURITANIA	ESAF	1995
169	MAURITANIA	ESAF	1995
250	MAURITANIA	ESAF	1995
313	MAURITANIA	ESAF	1999
525	MAURITANIA	PRGF	2003
300	MEXICO	SBA	1999
82	MOLDOVA	SBA	1993
89	MOLDOVA	SBA	1995
163	MOLDOVA	EFF	1996
402	MOLDOVA	PRGF	2000
21	MONGOLIA	ESAF	1993
100	MONGOLIA	ESAF	1993

226	MONGOLIA	ESAF	1997
299	MONGOLIA	ESAF	1997
408	MONGOLIA	PRGF	2001
114	MOZAMBIQUE	ESAF	1994
196	MOZAMBIQUE	ESAF	1996
261	MOZAMBIQUE	ESAF	1996
262	MOZAMBIQUE	ESAF	1996
307	MOZAMBIQUE	ESAF	1999
49	NEPAL	ESAF	1992
99	NEPAL	ESAF	1992
526	NEPAL	PRGF	2003
72	NICARAGUA	ESAF	1994
258	NICARAGUA	ESAF	1998
318	NICARAGUA	ESAF	1998
527	NICARAGUA	PRGF	2002
28	NIGER	SBA	1994
239	NIGER	ESAF	1996
246	NIGER	ESAF	1996
282	NIGER	ESAF	1996
380	NIGER	PRGF	2000
336	NIGERIA	SBA	2000
23	PAKISTAN	SBA	1993
81	PAKISTAN	ESAF	1994
83	PAKISTAN	EFF	1994
143	PAKISTAN	SBA	1995
236	PAKISTAN	EFF	1997
237	PAKISTAN	ESAF	1997
290	PAKISTAN	ESAF	1997
375	PAKISTAN	SBA	2000
377	PAKISTAN	PRGF	2001
178	PANAMA	SBA	1995
243	PANAMA	EFF	1997
338	PANAMA	SBA	2000
129	PAPUA NEW GUINEA	SBA	1995
332	PAPUA NEW GUINEA	SBA	2000
528	PARAGUAY	SBA	2003
24	PERU	EFF	1993
298	PERU	EFF	1999
391	PERU	SBA	2002
61	PHILIPPINES	EFF	1994
253	PHILIPPINES	SBA	1998
25	POLAND	SBA	1993
70	POLAND	SBA	1994
76	ROMANIA	SBA	1994
210	ROMANIA	SBA	1997
320	ROMANIA	SBA	1999

383	ROMANIA	SBA	2001
160	RUSSIAN FEDERATION	SBA	1995
164	RUSSIAN FEDERATION	EFF	1996
302	RUSSIAN FEDERATION	SBA	1999
288	RWANDA	ESAF	1998
312	RWANDA	ESAF	1998
421	RWANDA	PRGF	1998
529	RWANDA	PRGF	2002
341	SAO TOME AND PRINCIPE	PRGF	2000
27	SENEGAL	SBA	1994
63	SENEGAL	ESAF	1994
149	SENEGAL	ESAF	1994
203	SENEGAL	ESAF	1994
277	SENEGAL	ESAF	1998
327	SENEGAL	ESAF	1998
399	SENEGAL	PRGF	1998
530	SENEGAL	PRGF	2003
537	SERBIA AND MONTENEGRO	EFF	2002
94	SIERRA LEONE	ESAF	1994
96	SIERRA LEONE	SAF	1994
132	SIERRA LEONE	ESAF	1994
228	SIERRA LEONE	ESAF	1994
532	SIERRA LEONE	PRGF	2001
356	SRI LANKA	SBA	2001
504	SRI LANKA	PRGF	2003
271	TAJIKISTAN	ESAF	1998
305	TAJIKISTAN	ESAF	1998
340	TAJIKISTAN	PRGF	1998
502	TAJIKISTAN	PRGF	2002
213	TANZANIA	ESAF	1996
241	TANZANIA	ESAF	1996
311	TANZANIA	ESAF	1996
533	TANZANIA	PRGF	2000
534	TANZANIA	PRGF	2003
255	THAILAND	SBA	1997
85	TOGO	ESAF	1994
150	TOGO	ESAF	1994
75	TURKEY	SBA	1994
317	TURKEY	SBA	1999
418	TURKEY	SBA	2002
62	UGANDA	ESAF	1994
148	UGANDA	ESAF	1994
191	UGANDA	ESAF	1994
234	UGANDA	ESAF	1997
278	UGANDA	ESAF	1997
319	UGANDA	ESAF	1997

501	UGANDA	PRGF	2002
95	UKRAINE	SBA	1995
185	UKRAINE	SBA	1996
273	UKRAINE	SBA	1997
274	UKRAINE	EFF	1998
225	URUGUAY	SBA	1997
292	URUGUAY	SBA	1999
339	URUGUAY	SBA	2000
394	URUGUAY	SBA	2002
535	URUGUAY	SBA	2002
187	UZBEKISTAN	SBA	1995
217	VENEZUELA	SBA	1996
26	VIETNAM	SBA	1993
166	VIETNAM	ESAF	1994
205	VIETNAM	ESAF	1994
368	VIETNAM	PRGF	2001
190	YEMEN	SBA	1996
232	YEMEN	EFF	1997
233	YEMEN	ESAF	1997
295	YEMEN	ESAF	1997
382	YEMEN	PRGF	1997
397	YUGOSLAVIA	SBA	2001
173	ZAMBIA	SAF	1995
297	ZAMBIA	ESAF	1999
344	ZAMBIA	PRGF	1999
407	ZAMBIA	PRGF	1999
122	ZIMBABWE	EFF	1992
130	ZIMBABWE	ESAF	1992
140	ZIMBABWE	ESAF	1992
266	ZIMBABWE	SBA	1998
303	ZIMBABWE	SBA	1999