Accepted Manuscript

Room for discretion? Biased decision-making in international financial institutions

Valentin F. Lang, Andrea F. Presbitero

PII: S0304-3878(17)30064-0
DOI: 10.1016/j.jdeveco.2017.09.001
Reference: DEVEC 2158

To appear in: Journal of Development Economics

Received Date: 25 January 2017
Revised Date: 8 September 2017
Accepted Date: 12 September 2017

Please cite this article as: Lang, V.F., Presbitero, A.F., Room for discretion? Biased decision-making
j.jdeveco.2017.09.001.

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to
our customers we are providing this early version of the manuscript. The manuscript will undergo
copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please
note that during the production process errors may be discovered which could affect the content, and all
legal disclaimers that apply to the journal pertain.
Room for Discretion?
Biased Decision-Making in International Financial Institutions

Valentin F. Lang (Heidelberg University)
Andrea F. Presbitero (International Monetary Fund and MoFiR)

Abstract: We exploit the degree of discretion embedded in the World Bank-IMF Debt Sustainability Framework (DSF) to understand the decision-making process of international financial institutions. The unique, internal dataset we use covers the universe of debt sustainability analyses conducted between December 2006 and January 2015 for low-income countries. These data allow us to identify cases where the risk rating implied by the application of the DSF’s mechanical rules was overridden to assign a different official rating. Our results show that both political interests and bureaucratic incentives influence the decision to intervene in the mechanical decision-making process. Countries that are politically aligned with the institutions’ major shareholders are more likely to receive an improved rating; especially in election years and when the mechanical assessment is not clear-cut. These results suggest that the room for discretion international financial institutions have can be a channel for informal governance and a source of biased decision-making.

JEL codes: F34, F53, H63, H68

Keywords: International organizations; Political economy; IMF; World Bank; Debt sustainability
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات