

Are IMF Lending Programs Harmful for Human Rights?

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THIS DRAFT: 3 December 2019

Paper prepared for 2020 Political Economy of International Organizations (PEIO)
conference at Simon Fraser University, Vancouver

Abstract: Is participation in IMF lending programs linked to government repression? Prior work on the IMF program-human rights association generally finds a negative relationship, but there are at least three good reasons to revisit the question of the effect of participation in IMF programs on physical integrity rights. First, credibly estimating the impact of IMF programs on repression requires handling the problem of the non-random assignment of IMF lending arrangements. Second, accurately gauging countries' levels of physical integrity rights respect must account for changes in how this indicator has been measured over time. And third, the independent impact of one dimension of IMF program participation (conditionality) on human rights respect cannot be cleanly distinguished from the other features of lending arrangements when scholars rely solely on binary participating/non-participating measures of countries' involvement with the IMF. In this paper we address all three issues in the effort to generate a more reliable answer to the question posed in the title. In the first set of tests we use data from 120 low- and middle-income countries between 1972 and 2007 to link IMF program participation to a more accurate measure of government repression (from Fariss 2014). To handle the selection issue, we use a compound instrumentation approach, recently developed and popularized by Lang (2016), Nelson and Wallace (2017), and Stubbs et al. (2018), to generate our estimates of the conditional difference in the level of government respect for physical integrity rights between IMF participation and non-participation cases. The instrumental variable approach uses a plausibly exogenous factor linked to both participation *and* to the number of conditions in lending arrangements (the IMF's annual liquidity constraint) in concert with country-specific averages of the likelihood of program participation and the number of binding conditions attached to programs. We find a statistically significant negative relationship, on average, between participation in IMF lending programs and human rights respect. Further, using data capturing the comprehensiveness of conditionality in all IMF lending arrangements between 1980 and 2007, we find preliminary evidence that repression worsens as the number of conditions attached to IMF programs increases.

Introduction

Over the past seventy years governments around the world have entered into lending agreements with the International Monetary Fund (IMF) in order to gain access to much-needed credit. The financial resources supplied by the IMF allow member states to (among other things) repay outstanding commitments to creditors, recapitalize banking systems that have been drained of funds by nervous depositors and flighty foreign investors, and enter into foreign exchange markets better armed to defend plunging national currencies against speculative pressures. IMF lending programs have been, and remain, perennial features of many low- and middle-income countries' economic landscapes (see the participation rates tracked in Figure 1), but familiarity has not bred much fondness for the institution, and for good reason: the price imposed by the conditions attached to programs can be steep.

FIGURE 1 GOES HERE

Beyond the surrender of policy autonomy implied by any agreement to follow IMF-mandated conditions, the substantive content of conditionality has been linked to a range of deleterious societal consequences in borrowing countries. Consider, for example, the implications of the cuts mandated in Greece's 2010 agreement with the IMF, negotiated during the depths of the country's sovereign debt crisis: "Cuts to municipal budgets led to the scaling back of mosquito-spraying programmes, resulting in the re-emergence of locally transmitted malaria for the first time in 40 years; public hospital budgets were reduced by 26%, leading to staff overwork, increasing waiting lists, and shortages of medicines and medical equipment; and prevention and treatment programmes for illicit drug use also faced cuts, leading to increases in HIV infections

from intravenous drug users” (Stubbs and Kentikelenis 2017: 38). To give another example, West African countries were hobbled in their efforts to combat the 2013 Ebola outbreak due to the legacy of years of IMF conditionality: “[W]hile reforms to the remuneration of public health workers mandated by IMF conditions led to the emigration of qualified personnel, the decentralization of health care systems made it more difficult for state authorities to mobilize a coordinated response to the crisis” (Reinsberg et al. 2019: 1241).

Activists have long accused the IMF of harming fundamental human *subsistence* rights through its conditional lending arrangements, pointing to the kinds of outcomes experienced in the Greek and West African cases.¹ Indeed, there is a large (and growing) social scientific literature behind the claim that participation in IMF programs is associated with worsening of subsistence rights in borrowing countries (e.g., Daoud et al. 2017; Daoud and Reinsberg 2018; Kentikelenis et al. 2011; Kentikelenis et al. 2015; Kentikelenis 2017; Stuckler and Basu 2013). The cutbacks that harm subsistence rights in countries under IMF agreements are, in this view, a product of choices necessitated by the pro-market conditions that borrowers must meet in order to gain access to tranches of credit released by the institution. But there is another route through which IMF programs may lead to violations of basic human rights: IMF conditionality might induce governments not just to neglect the rights of the more vulnerable segments of the public

¹ Anne Orford, for example, observed, “structural adjustment loan conditions requiring the cutting of public expenditure on health and education, labour market deregulation, export-oriented production, and privatization, have led to increased income disparity, human rights abuses, and marginalization of the poor and rural populations in many countries” (1997: 470).

but also to *actively* violate residents' physical integrity rights through harsher repression of dissent.

Several historical episodes illustrate the possible connection between IMF program participation and the worsening of physical integrity rights in borrowing countries. In 1971 the Sri Lankan government invoked emergency laws allowing the military "sweeping powers of search and arrest" – which the country's security forces used as pretext to pursue, detain, torture, and kill leftist students and workers that had turned against the democratically-elected Bandaranaike government after it entered into a multi-year IMF agreement, abandoned a sweeping plan to reorganize the country's economy, and embarked on an austerity drive.² Egypt's experience under IMF programs between 1977 and 1981 yielded similar results: the removal of price controls and subsidies for basic staples led to waves of urban rioting, which were met with severe repression by the military (Dessouki 1981). Around the same time Turkey fell into a serious balance of payments crisis, and the country entered into an unpopular IMF program in 1978, followed by a second program signed by the Demirel government in June 1980. Social unrest, particularly within the labor movement, worsened in the wake of the announcement of the IMF agreements, and by September of 1980 the Turkish military had "dissolved parliament and suspended all civilian political institutions" (Kirkpatrick and Onis 1991: 14). The military government stepped aside and elections were restored before the country exited the spell of IMF programs in 1986, but the uptick in repression and downturn in physical integrity protections persisted as the Turkish armed forces operated semi-autonomously from the civilian-controlled government

² "Scissors effects in Ceylon," *The Guardian*, 10 March 1971.

(Sakallioğlu 1997). A year later Nigeria's military regime entered its own IMF-led adjustment program; social mobilization against the government's policies mounted, and, as in the other illustrative cases, the Babangida government responded by cracking down on dissent in the country (Carey 2009: 91-92).

TABLE 1 GOES HERE

Table 1 captures the changing values of two measures – the amended Polity democracy score (Plumper and Neumayer 2010) and an indicator of human rights respect (Fariss 2014) – in each of the four illustrative examples.³ In only one case (Turkey) did the Polity democracy measure fall in the years between entry and exit from the IMF episode; in *all* cases, however, the measure of human rights respect worsened between the onset and end of the country's spell under IMF agreements.

A more recent episode illustrates the potential link between IMF lending and repression. In March 2019 the government of Ecuador signed a \$4.2 billion conditional lending agreement with the IMF.⁴ As part of his plan to reach the IMF's reform targets,

³ The Polity2 measure is constructed by examining various attributes related to the competitiveness of political participation and constraints on the executive to construct annual scores for countries that range from -10 (least democratic) to 10 (most democratic). During “interregnum” and “transition” periods in which it was difficult for coders to measure the level of democracy in a country, the original Polity2 measure records a zero. Plümer and Neumayer (2010) show that this coding rule can produce misleading inferences; consequently, we use in Table 1 and in the statistical analyses described in later sections an amended version of the Polity2 variable that linearly interpolates values during the troublesome “interregnum” and “transition” periods. The Human Rights Protection Scores range in our sample from -2.87 (most repressive) to 2.67 (least repressive); the scores come from Fariss (2014), who accounts for the changing standard of accountability through dynamic ordinal item-response theory modeling. Doing so provides an estimation of a continuous, latent physical integrity rights mean, which also serves as the dependent variable in the statistical tests reported in the paper.

⁴ “IMF Executive Board Approves US\$4.2 Billion Extended Fund Facility for Ecuador,” *International Monetary Fund*, 11 March 2019,

President Lenín Moreno eliminated the country’s decades-old fuel subsidies. In response, indigenous leaders in Ecuador led massive protests that forced the president to move the government from the capital of Quito to the coastal city of Guayaquil.⁵ The twelve days of protests—which ultimately resulted in at least eight people dead and 1,300 injured—finally came to an end after President Moreno agreed to scrap his IMF-backed plan and restore the fuel subsidies.⁶ Although more details on official responsibility for the protest deaths and injuries will likely be forthcoming, Ecuador’s human rights defender’s office has pointed to evidence of state repression, claiming that disseminated videos show cruel, inhumane, and degrading treatment resulting from the excessive use of force by the National Police.⁷

Are these illustrative episodes aberrant, or do they reflect a more general pattern linking IMF program participation and government suppression of physical integrity rights? Some prior work supports the case for a systematically negative association between IMF programs and human rights respect (Simmons 2009: 254). Abouharb and Cingranelli (2009), for example, report a statistically significant negative relationship between the length of participation in IMF programs by borrowing countries and the level of freedom from torture and extra-judicial killing; in a different study the same authors

<https://www.imf.org/en/News/Articles/2019/03/11/ecuador-pr1972-imf-executive-board-approves-eff-for-ecuador>.

⁵ “Deal Struck in Ecuador to Cancel Austerity Package and End Protests,” *New York Times*, 13 October 2019.

⁶ “Indigenous Ecuadorians Too Strong to be Ignored after Deal to End Protests,” *The Guardian*, 16 October 2019.

⁷ “La Defensoría Del Pueblo Condena El Uso Excesivo De La Fuerza Por Parte De La Policía Nacional,” Defensoría Del Pueblo, 3 October 2019, <https://www.dpe.gob.ec/la-defensoria-del-pueblo-condena-el-uso-excesivo-de-la-fuerza-por-parte-de-la-policia-nacional/>.

find that overall respect for physical integrity rights decreases the longer a country participates in either an IMF or World Bank structural adjustment program (Abouharb and Cingranelli 2007).⁸

Other studies yield more mixed results. Eriksen and de Soysa (2009) find that periods in which borrowing countries receive IMF or World Bank loans are *positively* associated with a measure of respect for physical integrity rights, but periods in which the loans stop flowing to borrowing countries correlate with downturns in the same measure of human rights respect. Hill and Jones (2014) include indicators for IMF and World Bank program participation alongside a number of other covariates of government repression (observed between 1981 and 1999); the IMF indicator is significantly associated with state repression in some of the specifications they report, but in general Hill and Jones find that including the IMF variable adds little to the predictive power of the statistical model of physical integrity rights abuses.

Aside from the mixed bag of results from prior work on the topic, three issues should make us wary about making strong claims about the relationship between IMF programs and human rights variables. First, mismeasurement of the outcome variable – the level of human rights abuses – can yield faulty inferences. Of course, that is a generic claim that can apply to any variable in a quantitative research project, but the problem of

⁸ Other quantitative studies have looked at the relationship between IMF programs and rights that are related to (but distinct from) physical integrity protection. Blanton et al. (2015), using a sample of 123 low and middle-income countries between 1985 and 2002, find that IMF program participation reduced labor rights protections. Detraz and Peksen (2016) find a negative association between participation in IMF lending programs and the level of government respect for women’s economic rights; they do not, however, find any statistically significant links between participation in IMF programs and respect for women’s political rights.

biased measurement is arguably more severe when it comes to explaining variation in levels of human rights respect, for a key reason identified by Fariss (2014): the standards used by the monitoring agencies that generate the human rights reports used in constructing repression scores have grown more stringent over time. As Fariss shows, the most commonly used measures of repressive government behavior – which have been used in all of the prior work on the IMF-repression relationship – incorrectly assume constant standards of government accountability. Correcting for changing monitoring standards can produce more precise measures of human rights protection and more reliable estimates of the associations between repression and explanatory variables.

Measurement is an issue when it comes to the key explanatory variable, as well. The most prominent prior works on the effect of IMF programs on physical integrity rights rely either on a dichotomous indicator of program participation (c.f., Hill and Jones 2014) or on additive counts of the number of years countries have spent under lending arrangements (c.f., Abouharb and Cingranelli 2009). The IMF participation/non-participation measure is useful for some purposes (c.f., Nelson and Wallace 2017) but has its limits; namely, it cannot account for variation in the degree of conditionality attached to the programs. As Stubbs et al. (2018) point out, collapsing the different elements of IMF lending arrangements into a binary in/out variable makes it difficult to distinguish the independent contribution of *conditionality* from the other aspects of IMF agreements (credit disbursements and scaled-up technical assistance, for example) that may correlate with variation in the outcome of interest.

A third challenge concerns the non-random assignment of both IMF program participation and the number of conditions included in the programs. The problem is a

familiar one: we could observe a negative relationship between IMF programs and human rights protections because the countries that are likelier to repress (for reasons unconnected to the presence or absence of conditional IMF agreements) are also likelier to enter into agreements with the Fund; likewise, the IMF might dole out more condition-laden agreements to the members that have a greater propensity to engage in harsh repression. “Failure to account for factors that are correlated with both IMF participation and the outcome,” Stubbs et al. (2018: 4) note, “would thus erroneously attribute their effects to IMF participation.” Prior scholarly work on the IMF-human rights respect connection has taken the assignment problem into account, but not all fixes for the issue are equally reliable, as we describe below.

In this paper we account for all three of these issues in our reexamination of the statistical relationship between IMF programs and government repression. Working with a sample of 120 low- and middle-income countries observed between 1972 and 2007, we test for the impact of IMF program participation on a variable that more accurately measures the level of physical integrity rights in country i in year t by correcting for the changing standards of human rights accountability.⁹ We also disaggregate the IMF program participation indicator by looking at the independent impact of conditionality, drawing on data on the number and type of conditions in all IMF programs between 1980 and 2007 (Kentikelenis et al. 2016). And because compliance with even the “hardest,”

⁹ Note that not every country includes observations for the entire period. Additionally, some of the countries only achieved independence in later years of this period. We exclude the historically rich Northern countries from the statistical analysis because they have much higher average levels of human rights respect and rarely participated in IMF lending programs during the 1972-2007 time window (see Figure 1); as a result, including these countries raises the likelihood of finding a negative relationship between IMF programs and physical integrity rights protections.

most binding conditions (“performance criteria,” in IMF parlance) is highly imperfect thanks to the Fund’s discretion in issuing waivers for missed conditions (c.f., Nelson 2014, 2017) we use implementation-corrected measures of the extensiveness of conditionality in several specifications.

To deal with the non-random assignment of *both* the participation and conditionality variables, we use a compound instrument technique recently developed and extended by Lang (2016), Nelson and Wallace (2017), and Stubbs et al. (2018). Prior studies of the impact of IMF program participation on human rights have relied on Heckman-type models as a means to handle the assignment problem (Abourharb and Cingranelli 2006, 2009; Blanton et al. 2015; Detraz and Peksen 2015). However, as a number of scholars have pointed out, two-stage Heckman models are especially sensitive to model specification and distributional assumptions, heightening the risk that they will produce unreliable results (see, e.g., Gilligan and Sergenti 2008: 90–91; Simmons and Hopkins 2005: 624–25; Winship and Morgan 1999: 680). The compound instruments in this paper are constructed by interacting a plausibly exogenous correlate of both IMF program participation and conditionality, the (logged) IMF liquidity ratio, defined as the amount of liquid resources available to the IMF in a given year divided by its liquid liabilities, with country-specific averages of program participation and the number of conditions. The instrumental variable approach provides a way to simultaneously handle the selection issue and to isolate the impact of conditionality from other dimensions of IMF lending arrangements.

To briefly preview, we find evidence supporting the claim that IMF lending programs are systematically linked to worse human rights performance in the countries

that enter into lending arrangements. Further, government violations of physical integrity rights appear to be increasing in the number of conditions. In the next section of the paper we describe theoretical pathways through which IMF loans and the conditions that accompany them can be harmful for basic physical integrity rights. We then turn to a more extensive discussion of our strategy for addressing the methodological challenges posed by the nature of our data, which is followed by the presentation of the results from two sets of statistical tests, starting with the estimates for the dichotomous measure of IMF program participation. In the final section, we conclude by discussing key implications of the finding that the conditions in IMF programs have been harmful for human rights – a finding that, while built on new (and sounder, we hope) empirical foundations, reaffirms the negative relationship identified in prior work. Our findings thus throw more evidence behind claims that the Fund, a powerful international organization that has been mostly allergic to the concept of human rights (Reinold 2017), should rethink the political consequences of its activities in the low- and middle-income countries that still constitute its primary constituency.

Pathways Connecting IMF Programs and Human Rights Violations

The baseline hypothesis we test in this paper is that the conditions attached to IMF programs correlate with lower measures of respect for human rights in the countries that make use of the institution's resources. In this section we sketch two pathways, both linked to the substantive content of conditionality, through which physical integrity rights

protection might degrade under IMF programs.¹⁰ The first pathway centers on the basic macroeconomics of the IMF's longstanding "financial programming" approach to stabilization and the way in which IMF-mandated economic adjustment can come into conflict with social stability in some settings, spurring a burst of public discontent that yields an uptick in government repression. The second pathway links the subset of conditions oriented to correcting "structural" distortions in borrowers' domestic economies (eliminating subsidies, freeing prices of goods, liberalizing trade, privatizing state-owned assets, etc.) to the diminution of states' capacities to ensure that basic human rights protections are preserved during periods marked by economic turmoil. We also briefly describe two additional pathways through which IMF program participation might be harmful to human rights even when conditions are not observed.

The modal IMF borrower comes to the institution for an infusion of credit because it has racked up a sizeable deficit in its balance of payments that cannot be inexpensively financed through domestic or international capital markets. An IMF member in good standing and with a demonstrable need to borrow can tap into the IMF's pool of "hard" currencies, but access to IMF credit is not automatically granted; the institution's staff and management, in negotiations with the top economic officials from the borrowing government, set policy objectives and test dates by which evidence for progress toward macroeconomic adjustment must be demonstrated. The core of the

¹⁰ While some prior work has linked foreign aid with increased repression (e.g., Ahmed 2016), we focus here on the impact of conditionality on human rights respect rather than the effect of the funds released to borrowers. IMF lending differs from foreign aid in important ways: IMF disbursements, for example, are "encumbered" to a much greater extent than foreign development, humanitarian, and project aid, which has remained fungible and thus more akin to unearned income that can more easily be captured by government officials (Briggs 2017).

“classical” IMF macroeconomic adjustment program involves a set of highly restrictive short-run policy measures intended to reduce domestic absorption and to improve the current account balance by “as much as is required to maintain solvency” (Ghosh et al. 2005: 27).¹¹ To illustrate what the IMF means by “adjustment,” and how the restoration of macroeconomic equilibrium can be inconsistent with the preservation of social peace, we briefly lay out a very simple version of the open-economy macroeconomic model originated by Swan (1963) and extended by Dornbusch (1992).

FIGURE 2 GOES HERE

Two schedules depicted in Figure 2 capture the combinations of economic output (denoted as the level of real domestic demand, moving from left to right on the horizontal axis) and external competitiveness (denoted as the ratio of the nominal exchange rate to the average wage (e/w), moving up the vertical axis from less to more internationally competitive as either wages fall or the currency depreciates) that are consistent with internal and external balance. Any combination of output and competitiveness along the downward-sloping NN line economy is consistent with an *internally* balanced economy – which is to say an economy that does not have either excessive unemployment or excessive price inflation. An economy can slide in a southern direction off the NN line by becoming uncompetitive at a given level of domestic output; the average wage may, in this case, be too high relative to the going exchange rate, or the exchange rate too strong at a given wage level. In either case there will be excessive unemployment unless the

¹¹ Historically, the modal IMF adjustment program has been set up to deal with a crisis springing from an imbalance in the current account – in Ghosh et al.’s (2008) record of 236 IMF programs (1972-2005), for example, just 16 were set up to deal primarily with capital account crises.

government moves the economy back onto the *NN* line by engineering an increase in the level of domestic demand through loose fiscal and monetary policies or by increasing competitiveness through devaluation of the currency or across-the-board wage cuts. Economies that have moved off the *NN* line in the other direction, by contrast, experience overheating: too much demand at a given level of external competitiveness manifests in this economy as price inflation.

The upward-sloping *BB* line in Figure 2 describes combinations that are consistent with a country's *external* balance – that is, levels of output and international competitiveness that yield equilibrium in the country's balance of payments. An economy that drifts north off the *BB* line slips into a surplus on the current account; competitiveness has improved without an increase in domestic demand, and the excess production that cannot be consumed at home is exported abroad. On the other side of the *BB* line lie economies that experience deficits on the balance of payments: excess demand fuels an import boom. An economy at internal and external equilibrium sits at point *A* in Figure 2.

Developing countries that seek an IMF agreement are, as a rule, in economic distress; most commonly, they have fallen off the *BB* line by stoking excess demand, thereby developing persistent payments deficits that cannot be inexpensively financed through capital markets. In exchange for an infusion of credit to help smooth the adjustment process the IMF requires the borrowing government to take steps to restore internal and external balance – and in this simplified macroeconomic framework the necessary steps to moving toward equilibrium (point *A*) involve reducing domestic

demand through fiscal retrenchment and tighter credit conditions and increasing external competitiveness through some combination of wage cuts and currency devaluation.

Observing the unhappy adjustment experience of a number of Latin American countries under IMF agreements during the 1980s, Dornbusch (1992) added a third element to the basic *BB-NN* model, which he termed the *paz social* (social peace) line (depicted in Figure 2 as a flat line above the x-axis), denoting the minimally acceptable wage income level below which discontent threatened to spill over into strikes, protests, and rioting. The IMF's model of macroeconomic adjustment, Dornbusch suggested, is oriented to moving borrowers from point *C* to *B* and, ultimately, to a stable equilibrium position at point *A*. But getting to point *A* often means breaching the social peace line by either lowering workers' wages to intolerably low levels or devaluing the currency by too much (thereby raising the costs of imported goods), touching off protests and labor strikes.

In line with the expectations from the simple model sketched in Figure 2, a handful of prior studies report positive and significant associations between IMF program participation and social protest events (Auvinen 1996; Bejar and Moraes 2016; Mark 2018; Ortiz and Bejar 2013; Walton and Ragin 1990).¹² To generate additional evidence for the first step in the theoretical pathway linking IMF programs → protest activity → government repression, we regressed a measure of labor protest events from Robertson and Teitelbaum's (2011a) High Profile Strikes Dataset (HPSD), which records annual counts of the number of labor-related protests for up to 132 countries observed between

¹² We revisit the IMF-protest link in this section in part because the samples in prior studies have been limited to regional subsets of countries or to shorter time windows.

1980 and 2005, on a dichotomous measure of IMF program participation (from Nelson and Wallace 2017).¹³ Alongside the IMF participation measure we include a set of other covariates that are plausibly linked to both the frequency of strikes and the likelihood of entering into arrangements with the Fund. Since prior strike activity tends to recur we include the one-year lag of the outcome variable (Robertson and Teitelbaum 2011a: 672). We control for the level of economic development (real GDP per capita) and country size (log population) as well as two measures of economic performance, the growth rate of per capita GDP and the presence of a currency crisis in the previous year. We include the Polity democracy score, which has been linked in prior work to increased strike activity; we also construct an aggregate index of the degree of market-oriented reform from Giuliano et al. (2013) to account for the possibility that reformist governments are likelier to enter into Fund programs and to experience labor unrest (e.g., Arce and Bellinger 2007). We include the measure of physical integrity rights protection from Fariss (2014), which is the outcome variable in the main set of results presented below, as a covariate in the model of labor protest, and we add an indicator of geopolitical affinity with the U.S. (from Bailey et al. 2017) to control for the possibility that more closely-aligned states in the international system benefit from preferential treatment by the Fund.¹⁴ Finally,

¹³ Rather than look at the link between IMF programs and *all* forms of social protest we hone in labor strikes because, as collective mobilizations with explicitly economic and distributional dimensions, they are the types of events that are likeliest to be directly related to the macroeconomic and structural conditions attached to Fund programs.

¹⁴ Here we very briefly describe the covariates included in the model of strikes; more details on the variables are provided in the next section, since most of them reappear in the statistical models of the relationship between IMF programs and physical integrity rights protection, which is the central concern of the paper.

following Robertson and Teitelbaum (2011b), we also include a set of regional dummies in the specification.¹⁵

Mirroring Robertson and Teitelbaum's approach (2011a), we estimate a negative binomial model with random effects and lag all of the covariates (save for the measure of population size) by one year. The regression results, presented in Table 2, are consistent with expectations: controlling for a range of other factors, participation in an IMF program increases the expected number of labor protests by 35 percent, on average.

TABLE 2 GOES HERE

Strikes and protests, whether large-scale and violent or not, may threaten the incumbent regime to the point that repression becomes the government's preferred response. An uptick in social protest increases the probability that regimes will crack down on dissent, thereby reducing observed levels of respect for citizens' physical integrity rights. The association between political conflict and repressive activity by the state and its security forces is so robust, in fact, that Davenport observes "there appears to be a 'Law of Coercive Responsiveness' ... when challenges to the status quo take place, authorities generally employ some form of repressive action to counter or eliminate the behavioral threat" (2007: 7). Protests against cutbacks and other austere policy changes may also threaten the government's ability to implement the IMF-mandated adjustment, which puts access to additional tranches of much-needed credit at risk. As Abouharb and

¹⁵ The HPSD has one clear advantage over the more commonly-used strikes measure from the Databanks International database (2012): by drawing on a wider range of media sources than the Databanks (which relies only on articles in the *New York Times*), the HPSD measure is less likely to undercount labor events in regions that receive less attention from the US-based *Times* (Robertson and Teitelbaum 2011a: 670). Nonetheless, we include region dummies to account for any remaining regional bias in coverage of strikes.

Cingranelli observe, “one of the tools government may use to overcome such resistance to policies is increased coercion in the forms of increased torture, political imprisonment, extra-judicial killing, and disappearances” (2009: 50-51).

In sum, the first causal pathway through which conditionality impairs human rights protection is based on the incompatibility of the harsh macroeconomic adjustments that the IMF views as necessary to restore internal and external balance and the need to preserve social peace among the masses. Following the IMF’s macroeconomic dictates can trigger protest activity that is met with repression by the government in borrowing countries.

IMF conditionality, however, goes beyond purely macroeconomic measures and reaches more deeply into the microstructures of borrowers’ economies. Returning to the simple model sketched in Figure 2, the Fund’s *structural* conditions are oriented to moving the *NN* and *BB* curves rightward through productivity- and efficiency-enhancing reforms, such as privatizing state-owned industries, deregulating product markets, making labor markets more flexible, and so on. The presence of pro-market structural conditions in IMF loans, however, may not be neutral when it comes to the protection of physical integrity rights. The IMF’s push for greater reliance on the price mechanism to coordinate economic activity, critics argue, goes hand-in-hand with the “hollowing out” of the state (Reinsberg et al. 2019). And in the second pathway linking IMF conditionality and government repression, the “transfer of power from the state to the market on the basis of conditionality can increase rights abuses by weakening the government’s ability to enforce such rights. The protection of civil rights, for example, requires government expenditures for properly trained and adequately compensated

judges, police, and the military and for institutions to monitor the activities of enforcement entities” (Stubbs and Kentikelenis 2017).

Both of the pathways laid out thus far assume that borrowers have actually implemented the conditions attached to the program. However, prior work suggests at least two potential pathways through which agreeing to participate in an IMF program without actual implementation of loan conditions might be associated with decreases in government respect for physical integrity rights. The first occurs due to popular resistance to the government’s decision to enter into an IMF loan program. If the government chooses to participate in an IMF agreement, it may anger members of the population who may object to their government’s ceding of sovereignty to foreign institutions. These groups may interpret the signing of an IMF agreement as a sign of the government’s weakness or as a sign that the government is willing to collaborate with foreign powers. These members of the population may then rebel against the government’s action, and the government may respond with repressive force, resulting in violations of physical integrity rights (Abouharb and Cingranelli 2009: 51–52).

A second pathway that does not depend on the actual implementation of IMF conditions builds on the concept of relative deprivation. In this regard, the government’s signing of an IMF agreement may lead members of the population to have heightened expectations of improvement of economic conditions. If economic growth does not ensue, these expectations will be left unfilled. Members of the population, in turn, may

protest against the government, and the government may respond with brutal force, leading to abuses of physical integrity rights (Abouharb and Cingranelli 2009).¹⁶

Data and Methods

In the previous section we described the two main pathways through which different types of IMF conditions, one set aimed primarily at macroeconomic stabilization and the other at engendering deeper structural reforms, may be harmful for countries' levels of human rights respect; in addition, we noted two pathways identified in prior work that do not hinge on the actual implementation of conditionality. In this section we describe the data and empirical strategies we employ to test the claim that IMF lending programs have been harmful for human rights respect.

Our full sample consists of 120 low- and middle-income countries observed between 1972 and 2007. The main outcome variable is a continuous variable measuring the mean level of physical integrity rights in country i in year t . The physical integrity rights data come from Human Rights Protection Scores (Fariss 2014). In producing this dataset, Fariss utilized data on repression measures from a variety of datasets that code reports such as *The Country Reports on Human Rights Practices*, published each year by the U.S. State Department, and *The State of the World's Human Rights*, published each year by Amnesty International (Cingranelli and Richards 1999, 2012*a, b*; Conrad, Haglund and Moore 2013; Conrad and Moore 2011; Gibney, Cornett and Wood 2012; Gibney and Dalton 1996; Hathaway 2002). As noted above, one problem with these

¹⁶ Note that this pathway is likely conditional on the mass public's previous experience with and beliefs about IMF-led structural adjustment programs.

datasets is that they do not consider the quality and quantity of information over time available to researchers who code governments' physical integrity rights practices (Fariss 2014: 297).¹⁷ Thus, the Human Rights Protection Scores dataset accounts for this changing standard of accountability through dynamic ordinal item-response theory modeling. Specifically, this dataset allows the item-difficulty cut points from the variables of the standards-based datasets mentioned above to vary over time. Doing so provides an annual estimate of a continuous, latent physical integrity rights mean value for each country in the sample (Fariss 2014: 304–308).

In the first set of tests the key explanatory variable (*IMF Participation*) measures whether a conditional IMF lending arrangement is present in country *i* in year *t*. Because we seek in these tests to measure the average overall effect of conditional IMF lending program participation we do not distinguish between different types of programs such as concessional and non-concessional loan arrangements. The IMF program participation variable comes from Nelson and Wallace (2017).

The second set of tests utilize the disaggregated conditionality data collected by Kentikelenis et al. (2016), which are available after 1980. The Kentikelenis et al. dataset records the type and number of IMF conditions in force for each country in each year. We conduct tests with four different indicators for the extensiveness of conditionality: (1) a count of the number of quantitative performance criteria (*QPCs*), which relate primarily

¹⁷ As Fariss (2014: 297) explains: “[H]uman rights reports have become increasingly stringent assessments of state behaviors. This change occurs because (1) government authorities have an incentive to hide the use of these policy tools and (2) observers and activists use countervailing strategies in order to reveal, understand, and ultimately change repressive practices for the better. This interaction between state actors and observers, both academic and activist, affects the production of information used by researchers to quantify repressive behaviors.”

to macroeconomic policies (such as monetary and credit aggregates, international reserves, fiscal balances, and external borrowing) and are “hard” conditions, in the sense that they must be met (or waived by the IMF’s Executive Board) for the program to stay on track; (2) an additive count of all binding conditions (*BA2TOT*) that records the total number of “hard” conditions across all policy areas, spanning macroeconomic and structural performance criteria; (3) an implementation-corrected count of all hard conditions (*cBA2TOT*) that reduces the count of binding conditions by the number of waivers issued for each missed condition; and (4) an alternative implementation-discounted measure of the number of hard conditions facing country i in year t (*dBA2TOT*) that discounts each individual condition in a given program by a coefficient determined by the number of quarters during which the program was interrupted (presumably due to non-compliance) in a given year within the relevant arrangement.

The analyses presented below also include a number of covariates that are likely, based on theory and results from prior work, to be correlated with both the dependent variable (physical integrity rights) and the IMF participation and conditionality variables.¹⁸ First, the paper includes covariates that account for the type, stability, and capacity of the ruling government. These covariates include the measure of *democracy levels* from the amended Polity2 scores generated by Plümpert and Neumayer (2010). The Polity democracy score is a reliably strong correlate of human rights protection.¹⁹ We

¹⁸ This paper utilizes many of the same the covariates in the statistical models reported in Nelson and Wallace (2017), given the close connection between the question in their work—the relationship between conditional IMF lending program participation and levels of democracy—and the question we ask in this paper.

¹⁹ Though, as Hill and Jones (2014: 663) point out, the correlation between democracy scores and human rights indicators may be due, in part, to the construction of the democracy measure, since “governments that target political opposition with violence are

include dichotomous indicators for two types of authoritarian regimes, *military autocracy* and *monarchic autocracy*, as well as a count of the number of *previous transitions* to autocracy from 1946 to year t , taken from Cheibub et al. (2010). Given prior research suggesting that autocratic regimes headed by monarchs or military leaders are more repressive, these regimes have the most to lose from going to the IMF should constraints on their coercive capabilities result from participation in the adjustment program. Our inferences about the association between IMF loans and human rights respect would be biased if the bulk of the autocratic regimes that signed IMF programs were less repressive, civilian-headed governments. We include the *previous transitions* variable because countries with a track record of unsettled, volatile political systems may be forced to seek out a disproportionate number of IMF programs and may also have lower (or higher) human rights scores on average.

We also include an indicator of *presidentialism* from Bjornskov and Rode's (2019) dataset; presidential systems are a more executive-centric form of government that Vreeland (2003) argues makes countries more likely to enter into IMF arrangements. And because leaders in presidential systems cannot, as in parliamentary systems, easily shift blame for policy mistakes onto coalition partners, governments in presidential systems might be more sensitive to the costs of "naming and shaming" for human rights abuses by NGOs (Hendrix and Wong 2013). In order to account for variation in *state capacity*, which in the second pathway sketched in the previous section of the paper might be a conditioning factor between the IMF's conditionality and the level of human rights

less democratic by definition, given the way democracy is usually defined and operationalized."

protection, we add a variable from the Relative Political Extraction (RPE) index (Kugler and Tammen 2012). This variable captures the ratio of actual to expected tax revenue, estimated from a linear function of the developing economy's structure and size.

Reliance on natural resource rents has been linked to repression in a number of studies (Hill and Jones 2014: 664). Oil-rich countries are prone to boom and bust cycles, but they are less likely to obtain IMF loans than countries with little exportable oil. For instance, the least frequent users of IMF resources in the developing world are countries in the Middle East and North Africa. Thus we include a dichotomous *oil producer* variable that takes a value of one if the country is a major oil exporter. The values from 1972 to 2000 are taken from Fearon & Latin (2003) and are updated after 2000 by Nelson & Wallace (2017), following Papaioannou and Siourounis' (2008) coding classifications by utilizing membership status in OPEC and the IMF's oil exporter classifications, as reported in the IMF's *World Economic Outlook* database.

We include four covariates to control for potential confounding economic factors (each lagged by one year). First, we account for countries' currency *reserves* by including the ratio of international reserves to gross national income (GNI) based on data from the World Bank's *International Debt Statistics* and *World Development Indicators*. Second, we include a measure of *real GDP per capita* from the Penn World Tables version 6.3. (Heston, Summers, and Aten 2009). Third, the analysis also includes measure of *real per capita GDP growth* from the Penn World Tables version 6.3. (Id.). Fourth, we employ a variable that measures pressure on exchange markets (*currency crash*), which, following Frankel and Rose (1996), takes a value of one for each year in which a country has a nominal exchange rate devaluation of at least thirty percent that

also is at least a ten percent increase in the depreciation rate compared to the preceding year.

In addition, we control for the severity of armed internal and external conflict. We add a *political violence* variable that measures the intensity of yearly episodes of intra- and inter-state conflict. (Marshall 2010). The range of this indicator is from a minimum of zero to a maximum value of thirteen.

An indicator of countries' United Nations General Assembly (UNGA) voting proximity with the IMF's most powerful principals (particularly the United States) is, as Dreher and Gassebner (2012: 336) state, "a standard measure employed in the recent literature" on IMF lending. The UNGA voting measures are used as proxies for potential borrowers' affinity with, and strategic importance to, powerful members, and there is evidence suggesting that countries that are closer to the United States benefit from preferential treatment by the IMF (Dreher and Jensen 2007). Countries that share a geopolitical affinity with the U.S. may also have better human rights protection scores. Consequently, we include a measure of foreign policy closeness with the U.S., based on UNGA voting profiles, as a covariate. The indicator (*UNGA ideal point*) comes from Bailey et al. (2017). The indicator recovers countries' foreign policy preferences from their UNGA voting records. The variable measures each country's unidimensional foreign policy "ideal point" in each year, interpreted as the country's position toward the U.S.-led "liberal" international order.

Finally, we account for *regional* effects in order to account for possible spillover effects from neighboring countries (See Brinks and Coppedge 2006; Gleditsch and Ward 2006; Simmons 2009). Thus, following Nelson and Wallace (2017), we classify each

country in the sample as belonging to one of six regional designations: Middle East and North Africa, Latin America and the Caribbean, East Asia and the Pacific, Post-Communist, Sub-Saharan Africa, and South Asia (the last of which is the excluded reference category in the results that follow).

In this paper we adopt an instrumental variable approach to account for the non-random assignment of IMF program participation and the selection of the degree of conditionality in lending programs. What we need in order to implement the strategy are instruments that are highly correlated with the endogenous IMF lending variables but have no direct link to the outcome (human rights protections). When an instrument is valid, we can be confident any effect of the instrument on the outcome that we detect in the statistical models must have come through the endogenous variable.

Good instruments are hard to find, however, as has been highlighted in the broader foreign aid literature.²⁰ The first hurdle a valid instrument must pass is the exclusion restriction: the impact of the variable has to come exclusively through its effect on the likelihood of program participation. If the instrument has a direct link to the outcome, then it fails this restriction. Second, valid instruments also have to meet the “ignorability” (or conditional independence) assumption: the variation in the instrument has to be plausibly independent of the potential outcomes.

We adopt a compound instrumentation approach to handle the potential endogeneity of IMF program participation and conditionality. The instruments we construct, originally proposed in a paper by Lang (2016) and subsequently used by Nelson and Wallace (2017), Stubbs et al. (2018) and Reinsberg et al. (2019), perform

²⁰ For a discussion, see Clemens et al. (2012).

better on all the criteria for a sound instrument than any of the other candidates.²¹ Lang's identification strategy (in a paper on the effect of IMF program participation on income inequality) follows an empirical approach developed by Nunn and Qian (2014). Nunn and Qian deal with the selection problem in their study (which explores the effect of US food aid on civil conflict in recipient countries) by instrumenting for US food aid with (lagged) US wheat production. (Wheat production in the US is unaffected by the intensity of civil conflict in aid-recipient countries, and it has a strong correlation with the amount of food aid given to needy countries.) US wheat production varies over time but not by country; since all of the variation in the indicator is temporal, it is perfectly collinear with year fixed effects. To generate an instrument that varies over time *and* varies by country (thus allowing for the inclusion of country and year fixed effects), Nunn and Qian interact (lagged) US wheat production with an indicator of countries' propensities to receive food aid from the US (the share of years across the 36-year sample period in which the country received any food aid from the US).

Lang suggests that a measure of the IMF's loanable resources – its liquidity ratio, defined as the amount of liquid resources available to the IMF divided by its liquid liabilities – is a plausibly exogenous driver of IMF program participation. When the liquidity ratio is high, the Fund is more generous, and the liquidity ratio itself is driven by organizational factors that have nothing to do with borrowing country characteristics (Stubbs et al. 2018). Indeed, as Figure 3 shows, the logged (and lagged by one year) IMF

²¹ Nelson and Wallace (2017) and Stubbs et al. (2018) describe some of the weaknesses of alternative instrumental variables that were commonly used in the literature on the effects of IMF programs prior to the introduction of the compound instrument approach.

liquidity variable is positively correlated with the share of countries in the sample in a given year that are under lending arrangements.

FIGURE 3 GOES HERE

In the first model of the impact of IMF programs on human right protections we interact the logged liquidity measure with our own time-varying measure of countries' propensities to enter into IMF programs. The probability of program participation is calculated as the share of years between 1972 and year t in which a country was under an IMF arrangement. (For countries that became independent at any point after 1972 or were independent but did not join the IMF until a later date, we calculate the probability using the fraction of years from the date of independence or date of IMF membership.)

Following Stubbs et al. (2018) we then apply the compound instrumentation approach to account for the endogeneity of conditions. The IMF liquidity measure, as demonstrated in Figure 4, also correlates with the extensiveness of conditionality in lending arrangements. We construct compound instruments for conditionality by interacting the logged value of the IMF's budget constraint (lagged by one year) with the within-country averages of the four conditionality variables we deploy in the analysis.²²

FIGURE 4 GOES HERE

²² Stubbs et al. (2018) make the case that the compound instrument for conditionality satisfies two key criteria for suitable instruments: the exclusion restriction (the impact of the variable has to come exclusively through its effect on the likelihood of program participation and/or extensiveness of conditionality) and the conditional independence assumption (the variation in the instrument has to be plausibly independent of the potential outcomes). Their diagnostics suggest, further, that the compound instrument satisfies the homogeneity of treatment and parallel and non-overlapping trends assumptions. As we report in the next section, the Kleibergen-Paap F-test statistics for the strength of the compound instruments are consistently near or above the conventional benchmarks for strong instruments.

Results

The results from the two-stage least squares model, in which we instrument for program participation using the interaction between the logged IMF liquidity measure and country-specific, time-varying probability of being under an IMF lending arrangement, are reported in Table 3.²³ In addition to the battery of baseline covariates, the models include country fixed effects to absorb time-invariant country characteristics that might affect human rights protections and the likelihood of program participation, as well as year fixed effects to pick up common time trends.

TABLE 3 GOES HERE

In line with our expectations, the instrumented *IMF Participation* variable is negative and statistically significant, and the value of the *F*-test statistic for the strength of the compound instrument is well above the conventional baseline of 10. These results support the claim that countries under IMF lending programs tend to experience reduced levels of respect for physical integrity rights.

How should one interpret the magnitude of the effect based on the results in Table 3? As mentioned above, the Human Rights Protection Scores dataset features a continuous variable that provides a mean physical integrity rights score for each country

²³ Even though the endogenous variable (IMF Program Participation) is dichotomous, we follow Angrist and Pischke's (2009: 197-98) pragmatic advice and estimate 2SLS models (see also the discussion here: <http://www.mostlyharmlesseconometrics.com/2009/07/is-2sls-really-ok/>).

in each year (see Fariss 2014).²⁴ As Chilton and Versteeg (2015) explain, one advantage of this dataset is that this mean variable is measured in terms of standard deviations. For example, in 2010, the mean variable ranged from -2.4 for Sudan to 4.7 for Luxemburg, thus encompassing just over 7.0 standard deviations. One general guideline is that an effect of $.2$ of a standard deviation is considered small, an effect of $.5$ of a standard deviation is considered moderate, and an effect of $.8$ of a standard deviation is considered large (Chilton and Versteeg 2015: 437). Here, the size of the point estimate (-0.557) on the instrumented IMF program participation measure lies in the “moderate” range under this guideline. This suggests that IMF participation has a sizeable and negative impact on borrowing countries’ levels of respect for physical integrity rights.

In Table 4 we report the results of 2SLS models with the compound instruments for the IMF conditionality variables. Conditionality is measured in different ways in the four specifications: in column 1 we look at the instrumented count of quantitative performance criteria (*QPCs*); the variable in column 2 is an additive count of all binding conditions (*BA2TOT*); columns 3 and 4 utilize compound instruments for the implementation-corrected measures of conditionality (*cBA2TOT* and *dBA2TOT*, respectively).

TABLE 4 GOES HERE

Several patterns are suggested by the results presented in Table 4. First, the compound conditionality instruments are negatively signed and significant, but only at $p < 0.05$ for one of the models and at the more lenient threshold of $p < 0.1$ for three of the

²⁴ For graphical illustrations showing countries’ levels of physical integrity rights from 1946–2017 according to the Human Rights Protection Scores dataset, see <https://ourworldindata.org/human-rights>.

models. Second, the compound conditionality instruments are not as strong as the compound instrument for IMF program participation used in the specification reported in Table 3; only in two specifications are the *F*-test statistics above the threshold of 10 indicating a strong instrument. Third, the substantive sizes of the point estimates for the instrumented conditionality measures seem to be quite small.

The sizes of the detected negative effects of IMF conditions on human rights scores, however, appear more substantively meaningful when we consider how much the conditionality measures vary. The composite measure of all “hard” conditions in IMF programs, *BA2TOT*, ranges between a minimum of 0 and a maximum of 124 (observed in Ukraine’s 1999 program). Given the dispersion of the *BA2TOT* variable (the standard deviation is just under 16), an increase in two standard deviations is not an unreasonably large shift in the variable to illustrate the effect size; in this case a two standard deviation increase in *BA2TOT* corresponds to a reduction in the human rights score of -0.51, which is a moderate decrease by the rule of thumb we use in this paper. Taken together, the results of the analyses suggest that the answer to the question posed in this paper’s title is yes: IMF programs, and the conditionality attached to them, have indeed been harmful for human rights in borrowing countries.

Conclusion

The findings we report in this paper do not overturn the claim from prior work that IMF programs have been, on balance, detrimental to human rights protections. That claim is not uncontroversial, however, and if it is to be used as a justification for fundamental reforms of the IMF’s lending practices then we need stronger, more

systematic evidence to help inform any redesign of IMF conditionality. What we have attempted to do in the paper is to marshal better measures and employ a stronger empirical strategy to make any claim about the harmfulness or helpfulness of IMF programs for the protection of basic physical integrity rights more credible. Further work to probe the robustness of these preliminary findings, however, is necessary. Instrumental variable approaches, such as the one we employ in this paper, can encounter several pitfalls that should provide caution when drawing inferences from their results. Conditioning on mediating variables that are linked to the outcome but are themselves affected by the “treatment” variables (in our case, IMF program participation and conditionality) can lead to biased estimates of effects; unfortunately, the 2SLS compound instrumentation setup does not solve the posttreatment bias problem, which is pervasive in studies using observational data, and which “cannot be easily diagnosed or remedied empirically” (Montgomery et al. 2018: 772–73). Further, to provide a valid measure, the compound instruments must not directly affect physical integrity rights except through IMF program participation; we have reasons to think this condition is met by the compound instruments using the IMF liquidity ratio variable, but as Morgan and Winship (2015: 301) explain, this is a strong assumption that cannot be directly tested. Finally, instrumental variables produce bias in finite samples, which can be considerable when an instrument only provides a weak prediction of the causal variable (Morgan and Winship 2015: 303).

Notwithstanding the limits of this study, the evidence we have to this point leads us to come to the rather pessimistic conclusion that the IMF has harmed more than helped in the domain of human rights protections. To be clear, even if governments try to

scapegoat the IMF for their human rights violations, our findings should not be understood to justify repression in any way. In pointing to the associations we have found between conditional IMF lending and a worsening of physical integrity rights in borrowing countries, we are not claiming that IMF programs leave governments with no choice but to repress. Governments always have a choice, and it is only the regimes that have some propensity to harm ordinary people that then go ahead and do so. Our thinking about the relationship between IMF loans and repression is more probabilistic: mass-level discontent and unrest triggered by a tough austerity program increases the likelihood that some governments, already facing the risk of losing power due to economic mismanagement, will respond with harsher repression.

What, then, are some of the broader implications of our study for policymaking? First, we caution against taking these findings, perhaps in tandem with prior work that also points to a negative association between IMF programs and respect for physical integrity, in isolation: the effects of IMF lending programs are varied, and a more comprehensive evaluation should be conducted in order to understand the trade-offs generated by entry into conditional lending programs. The news about the IMF's impacts may not be entirely dismal when we consider other kinds of social and political outcomes beyond human rights protections (c.f., Nelson and Wallace 2017).

Second, unlike many variables that correlate with human rights protection scores, the design of IMF conditionality is changeable in the short- to medium-term. However, any call for the IMF to redesign conditionality or improve its monitoring in order to eliminate (or, at minimum, limit) the risk that participating in the institution's program will yield harsher repression must acknowledge how certain features of the organization

are inimical to transformative change. Thanks to the efforts of bureaucratic insiders and outside activists, the issue of human rights monitoring and accountability has impacted the policymaking processes at numerous IOs (Heupel and Zurn 2017). Despite repeated calls for reform, integration of human rights concerns into the work of the Fund through its conditional lending activities has been slow and shallow. “The Fund,” observes Reinold (2017: 288), “has neither the mandate, nor the skill set, nor the institutional incentives that would promote IMF ownership of human rights.” As one senior IMF official point-blank told Reinold during an interview, “[H]uman rights? We don’t focus on those issues” (2017: 288). Change in practices to take into account the human rights impact of conditionality is unlikely unless dissident voices within the institution combine with the advocacy of powerful members to push the agenda forward.

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Tables and Figures

Table 1: Changes in Democracy and Human Rights Scores in Four Illustrative Episodes

	Sri Lanka, 1972-76	Egypt, 1977-81	Turkey, 1978-86	Nigeria, 1987-92
Change in amended Polity2 democracy score during IMF spell	0	0	-2	+2
Change in human rights protection score during IMF spell	-0.162	-0.336	-0.544	-0.823

Table 2: Correlates of Industrial Strike Events

<i>Covariates</i>	DV: HPSD Count of Strikes
Strikes _{t-1}	0.091*** (0.033)
IMF Program Participation _{t-1}	0.346** (0.156)
Polity2 Democracy Score _{t-1}	0.054** (0.020)
Real GDP Per Capita _{t-1}	0.0001*** (0.00003)
GDP per capita growth _{t-1}	-0.047*** (0.013)
Currency Crash _{t-1}	0.471* (0.231)
Phys. Integrity Rights Score _{t-1}	-0.234 (0.151)
Market Reform Index _{t-1}	0.011*** (0.004)
Log Population	0.612*** (0.113)
U.S. Affinity Score _{t-1}	-0.581*** (0.216)
Sub-Saharan Africa	0.707 (0.577)
East Asia & Pacifica	1.592*** (0.544)
Post-Communist	1.275 (0.663)
Latin America & Caribbean	1.939*** (0.589)
Middle East & North Africa	-1.545 (1.257)
Constant	-14.527*** (2.129)
Number of observations	2,223

Notes: Table 2 reports results from a negative binomial regression with random effects. Standard errors in parentheses below coefficients.

* = $p < 0.1$, ** = $p < 0.05$, *** = $p < 0.01$

Table 3: The Impact of IMF Program Participation on Human Rights Respect

<i>Covariates</i>	DV: Human Rights Protection Score
IMF Program (instr.)	-0.557** (0.223)
Military Autocracy	-0.111** (0.043)
Monarchic Autocracy	-0.134 (0.174)
Previous Transitions	0.055 (0.054)
Oil Producer	0.017 (0.062)
Reserves/GNI	-0.050 (0.136)
Real GDP Per Capita	0.00002*** (0.000004)
GDP per capita growth	-0.0007 (0.002)
Currency Crash	-0.019 (0.033)
Political Violence Index	-0.202*** (0.012)
Polity2 Democracy Score	0.033*** (0.004)
Presidential System	0.155** (0.057)
State Capacity	0.089 (0.044)
U.S. Affinity Score	0.075 (0.058)
Sub-Saharan Africa	-0.534** (0.239)
East Asia & Pacifica	1.167*** (0.191)
Post-Communist	1.359*** (0.208)
Latin America & Caribbean	-0.025 (0.177)
Middle East & North Africa	1.258*** (0.192)
Country Fixed Effects?	Y
Year Fixed Effects?	Y
Kleibergen-Paap <i>F</i> -statistic	24.703
Number of observations	3,015
R-squared	0.77

Notes: Robust standard errors in parentheses below coefficients.

* = $p < 0.1$, ** = $p < 0.05$, *** = $p < 0.01$

Table 4: The Impact of IMF Conditionality on Human Rights Respect

<i>Covariates</i>	(1) <i>QPCs</i>	(2) <i>BA2TOT</i>	(3) <i>cBA2TOT</i>	(4) <i>dBA2TOT</i>
IMF conditionality (instr.)	-0.042* (0.022)	-0.016* (0.008)	-0.016* (0.008)	-0.026** (0.013)
Military Autocracy	-0.012 (0.067)	-0.050 (0.047)	-0.050 (0.047)	-0.028 (0.054)
Monarchic Autocracy	-0.014 (0.199)	-0.101 (0.163)	-0.110 (0.163)	-0.112 (0.182)
Previous Transitions	0.056 (0.088)	0.014 (0.067)	0.010 (0.066)	0.053 (0.067)
Oil Producer	0.010 (0.091)	-0.024 (0.061)	-0.027 (0.060)	-0.026 (0.065)
Reserves/GNI	-0.087 (0.173)	-0.091 (0.140)	-0.077 (0.137)	-0.146 (0.162)
Real GDP Per Capita	0.000005 (0.00001)	0.00002** (0.000008)	0.00002** (0.000008)	0.00001 (0.00001)
GDP per capita growth	0.002 (0.002)	0.0005 (0.001)	0.0005 (0.001)	0.0007 (0.002)
Currency Crash	-0.027 (0.046)	-0.028 (0.035)	-0.026 (0.035)	-0.018 (0.040)
Political Violence Index	-0.219*** (0.022)	-0.202*** (0.013)	-0.202*** (0.013)	-0.207*** (0.015)
Polity2 Democracy Score	0.037*** (0.007)	0.031*** (0.004)	0.031*** (0.004)	0.033*** (0.005)
Presidential System	0.125 (0.081)	0.158** (0.060)	0.160** (0.060)	0.129* (0.069)
State Capacity	0.200** (0.087)	0.126** (0.050)	0.121** (0.050)	0.160** (0.063)
US Affinity Score	0.258** (0.104)	0.171*** (0.059)	0.168*** (0.058)	0.221*** (0.079)
Country Fixed Effects?	Y	Y	Y	Y
Year Fixed Effects?	Y	Y	Y	Y
Kleibergen-Paap <i>F</i> -statistic	5.106	12.058	12.054	7.390
Number of observations	2,632	2,632	2,632	2,632
R-squared	0.64	0.79	0.80	0.74

Notes: Table 4 reports 2SLS estimates. All models include the region dummies (not reported in the table to save space). Robust standard errors in parentheses below coefficients.

* = $p < 0.1$, ** = $p < 0.05$, *** = $p < 0.01$

Figure 1: Participation Rates in IMF Programs

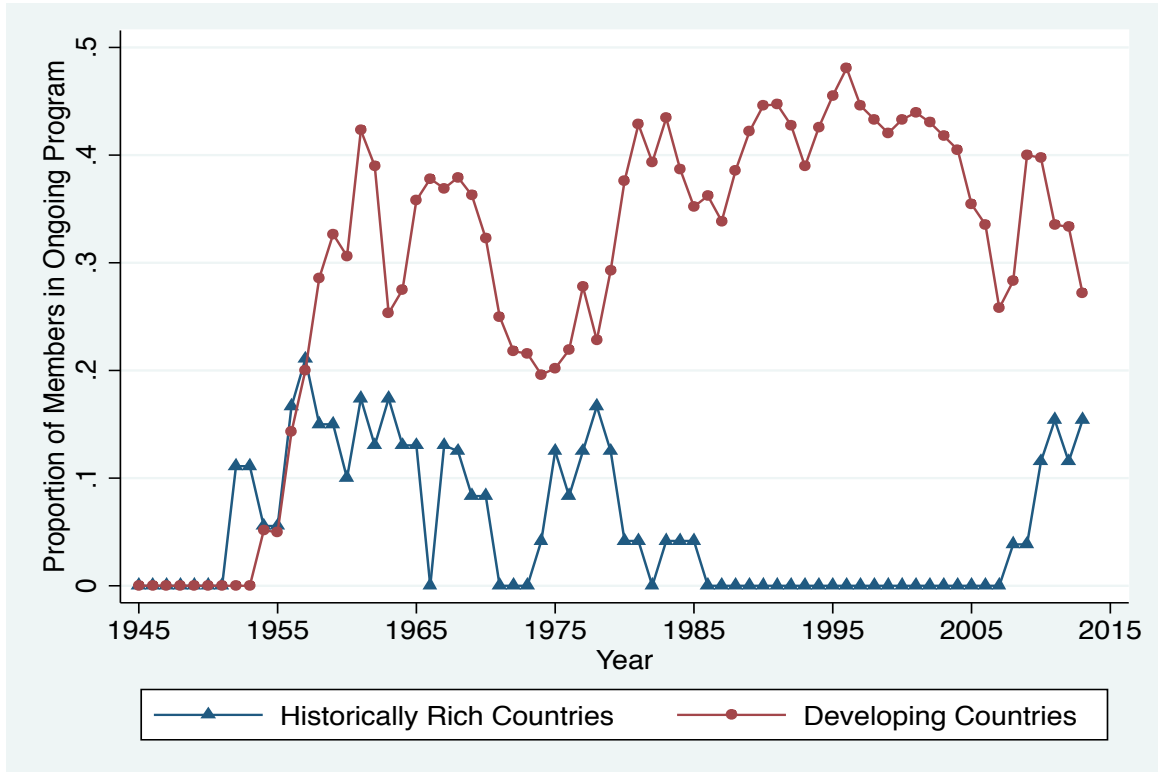


Figure 2: A Simple Open-Economy Macroeconomic Model of Adjustment

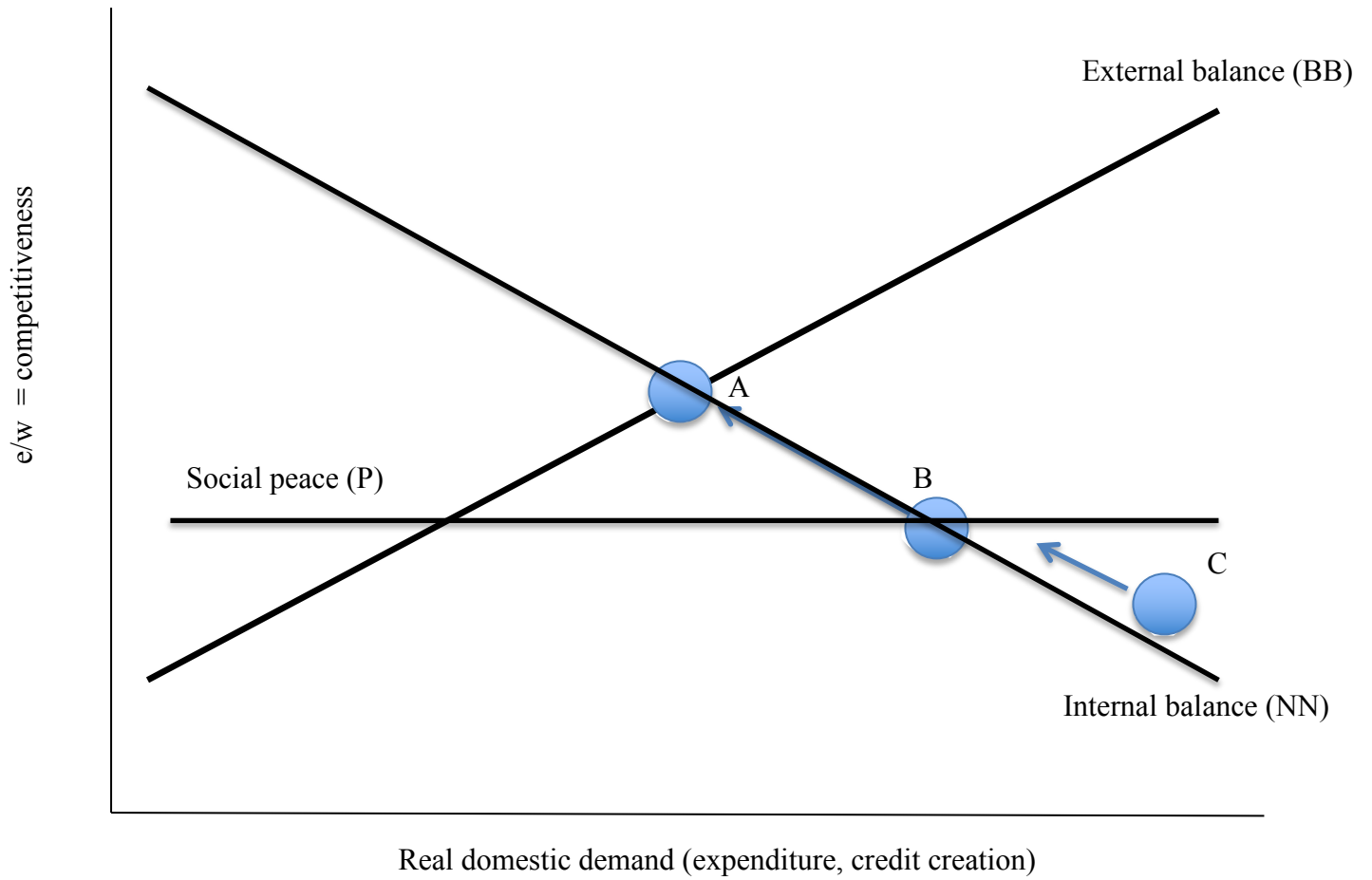


Figure 3: IMF liquidity ratio and the share of countries under IMF programs, 1972-2007



Figure 4: IMF liquidity ratio and avg. yearly quantitative performance criteria, 1980-2007

