IMF as Signal: The IMF's Role in Gaining Support for Economic Reform

Jihwan Jeong*

January 4, 2025

Abstract

The International Monetary Fund (IMF) has been criticized for being influenced by large shareholder interests, leading to policies that may not align with the needs of recipient countries. This paper examines how such biases enable incumbents to secure domestic support for unpopular economic reforms through IMF programs. When incumbents and opposition parties negotiate the distribution of reform costs—with incumbents holding private information about these costs—a biased IMF program can reveal this information by imposing additional economic burdens. Crucially, these burdens, whether targeted at the incumbent or the opposition, serve as credible signals. Empirically, the study finds that incumbents exploit IMF programs to enhance their bargaining position on economic reforms. Using an unexpected survey event design, the study provides further results supporting the informational role of the IMF.

Keywords: International Monetary Fund, Economic Reform, Information Provision

*Ph.D. student, Department of Government, Harvard University. Email: jihwanjeong@fas.harvard.edu

1 Introduction

International Organizations (IOs) often face criticism for being influenced by the private interests of major stakeholder states or their bureaucracies. Such influences are argued to mitigate the effectiveness of IOs by prioritizing interests that misalign with those of the countries they engage with. The International Monetary Fund (IMF) is frequently highlighted as a case in point, often perceived as susceptible to both U.S. influence and neoliberal biases within its bureaucracy. Extensive research documents the ways the United States leverages its stake in the IMF's executive board to advance private agendas, such as securing bank interests or favorable United Nations Security Council (UNSC) votes (Broz & Hawes, 2006; M. S. Copelovitch, 2010; Dreher et al., 2009; Stone, 2011). Similarly, IMF bureaucrats are found to hold ideological preferences for neoliberal policies (Lang et al., n.d.; Nelson, 2017), resulting in stricter conditions on social spending.

Scholars disagree on how IMF biases influence its capacity to foster public support for unpopular reforms, such as tax increases and spending cuts. Some argue that the IMF's leverage is limited to lending power, with little credibility or informational influence (Eichengreen & Woods, 2016; Vreeland, 2003). Others contend that, despite biases, the IMF can mitigate domestic backlash and retains credibility, as evidenced by survey experiments showing greater public acceptance of IMF-backed austerity measures without significant electoral consequences (Dreher & Gassebner, 2012; Hübscher et al., 2023; Pinto et al., 2025). Beyond direct engagement, the IMF's perceived costs alone can drive fiscal conservatism, as seen in East Asia's post-1996 crisis policies to build reserves and avoid IMF reliance (**ito**; **kawai**).

This paper shifts the focus from debates about the IMF's credibility to its role in shaping domestic political negotiations. Specifically, it examines how informational asymmetry enables incumbents with private economic knowledge to strategically manipulate reform proposals, shifting costs onto the opposition (Alesina & Drazen, 1991; Alesina et al., 2006). Such asymmetries create delays in reform implementation, as opposition parties cannot independently verify economic claims, and voters undervalue long-term benefits, exacerbating resistance (Fernandez & Rodrik, 1991; Weyland, 1998).

Existing literature has discussed different mechanisms to address informational asymmetries in economic reform negotiations. Some scholars argue that less polarized democratic institutions enhance governments' credibility in communicating economic realities, fostering public support for reforms (Mian et al., 2014). Others suggest that crises, by exposing economic vulnerabilities, can prompt the public to revise overly optimistic views of stability, increasing their receptiveness to reforms (Drazen & Easterly, 2001; Drazen & Grilli, 1993). While some view this relationship as tautological—since reforms often follow crises (Rodrik, 1996)—evidence suggests that during severe crises, such as hyperinflation, the public becomes more responsive to distress signals, facilitating adjustments in perceptions (Drazen & Easterly, 2001; Weyland, 2021).

This paper develops a model to analyze how IMF programs mediate domestic political negotiations under incomplete information. In this framework, the incumbent proposes a cost allocation for the opposition to bear, with the opposition retaining veto power over the proposal. The incumbent may also opt to enroll in an IMF program, which imposes proportional costs on both parties but provides access to foreign reserves that increase in value as the economic crisis worsens (Barro & Lee, 2005). These costs reflect the IMF's influence in enforcing policies aligned with its bureaucratic preferences or major stakeholders' interests (M. S. Copelovitch, 2010; Dreher et al., 2009; Lang et al., n.d.). Despite the burden of participation, IMF involvement reshapes domestic negotiations by signaling economic distress and compelling decision-making on reforms.

The model formalizes the strategic utilization of IMF programs by incumbents to signal economic conditions under informational asymmetries. A critical condition for this mechanism is the

costliness of IMF participation. When program costs are too low, their signaling value diminishes, as incumbents become indifferent to engaging with the IMF. Conversely, excessively high costs reduce the likelihood of participation, as the direct burden outweighs any signaling benefits. Thus, the model predicts an optimal cost threshold where IMF programs retain their credibility as a signaling mechanism.

This signaling function operates effectively even when the costs of IMF participation are primarily borne by the opposition. When costs fall solely on the incumbent, the mechanism aligns with traditional costly signaling frameworks, where the incumbent accepts a self-imposed burden to convey information. However, when IMF costs disproportionately affect the opposition, the incumbent's decision to engage the IMF still signals critical information. By opting into an IMF program, the incumbent demonstrates a willingness to forgo a potential payment that the opposition might otherwise have incurred. This decision reflects economic distress and compels the opposition to reassess its stance on reform proposals.

The model's predictions are empirically validated through two primary analyses. First, the interaction between the incumbent, the opposition, and the IMF Mission Chief is examined, focusing on their ideological alignment along the economic left-right spectrum. Results indicate that incumbents strategically join IMF programs when ideological divergences with the opposition or the Mission Chief decrease, leveraging the program's signaling capacity.

Second, the analysis uses survey data from the Gallup World Poll to assess the domestic signaling effects of IMF program announcements. Employing an unexpected event design, it compares respondent evaluations immediately before and after program announcements, controlling for economic stability during the survey period. Findings reveal that IMF initiation reduces immediate economic evaluations but increases confidence in government leadership. These results highlight the dual role of IMF programs as both a signal of economic distress and a tool for fostering compliance with necessary reforms.

This article makes a twofold contribution. First, it advances the discussion on the informational role of IMF programs. Existing literature has predominantly emphasized how IMF bias undermines its informational function, limiting its capacity to persuade the public to accept necessary but unpopular policies (Eichengreen & Woods, 2016). This article shifts the focus to the domestic bargaining process surrounding economic reforms, examining how the IMF—despite its bias—can be strategically leveraged by the incumbent to convey information about the state of the economy and secure compliance with stringent policies.

Second, this article contributes to the broader literature on how international organizations (IOs) foster compliance with reforms. While existing studies illustrate how IOs can strategically shift domestic political negotiations, particularly in the context of trade liberalizations (Baccini & Urpelainen, 2014, 2015; Mansfield et al., 2002), less attention has been paid to their role in advancing fiscal reforms. Such reforms are often costly, and prior work has largely overlooked how the IMF might act as a tool for compliance, with the notable exception of Drazen, 2002. This article extends the literature by examining how IOs, specifically the IMF, can also serve as a political instrument to induce fiscal reforms.

2 IMF as costly signaling to domestic constituents

2.1 IMF and domestic persuasion

In the broader literature on IOs, their ability to induce compliance is often attributed to their capacity to mobilize pro-compliance groups that pressure governments. Existing studies have explored conditions such as timing, domestic political cleavages, and the size of pro-compliance groups that enable IOs to secure government adherence (Carrubba, 2005; Chaudoin, 2014; Chaudoin &

Woon, 2018; Pelc, 2013). These theories have been applied across various issue areas, including international trade and investment (Brutger & Strezhnev, 2022; Chaudoin, 2014; Pelc, 2013), human rights (Carrubba, 2005; Carrubba, 2009), and environmental agendas (Dai, 2005).

However, the ability of the IMF to promote fiscal reforms remains contested. Critics argue that the IMF struggles to garner support from sub-national political groups, which often disregard its recommendations due to its perceived lack of legitimacy (Eichengreen & Woods, 2016). This legitimacy deficit arises from several factors: the IMF's governance structure, which disproportionately represents a few powerful countries (M. Copelovitch & Pevehouse, 2015; M. S. Copelovitch, 2010; McDowell et al., 2024), and the adverse distributional and growth effects attributed to its economic interventions (Bas & Stone, 2014; Forster et al., 2019; Przeworski & Vreeland, 2000).

Others argue that the IMF's effectiveness is challenging to evaluate empirically due to its association with adverse economic conditions. To address this, recent studies employ survey experiments to test whether the IMF can serve as a seal of approval for unpopular reforms. Hübscher et al., 2023 find that IMF involvement increases public support for austerity measures. They further elaborate why it is hard to observe IMF's persuasive ability suggesting its dual effect of increasing credibility of such policies but also incurs a sovereign cost as citizens resent the perceived loss of economic autonomy. Similarly, Pinto et al., 2025 emphasize the role of IO credibility in garnering public support. Their findings reveal that while the IMF boosts acceptance of spending cuts, the EU achieves even greater support, underscoring the varying persuasive power of IOs based on their perceived legitimacy.

2.2 IMF as a costly signaling device

IOs also can enhance international cooperation by imposing cost onto countries. For instance, to address the commitment problem, a often recurring obstacle for cooperation in international relations, countries can enter into agreements that impose penalties for non-compliance, thus signal credibility to others. Extent literature on the role of international institutions on economic reforms has focused on the issue of trade liberalization given how domestic resistance potentially leads to future deviations which is costly for their counterparts. Studies on the WTO and PTAs demonstrate how increasing the cost of defection helps countries mitigate domestic opposition to reducing trade barriers, ultimately shifting public support toward pro-trade industries (Baccini & Urpelainen, 2015; Davis & Wilf, 2017; Goldstein & Martin, 2000; Milner & Kubota, 2005; Tomz & Wright, 2007; Tomz et al., 2007; Yildirim et al., 2018).

Studies on the IMF often examine incumbents' political motivations, particularly their commitment to pursuing structural reforms. The costs incurred by governments when joining IMF programs can signal their intention to reform, enhancing their credibility with global financial markets. These costs arise from two main consequences of ceding economic autonomy. First, the "sovereignty cost" literature highlights that the public intrinsically values economic autonomy and often penalizes incumbents for delegating authority to foreign entities like the IMF (Hübscher et al., 2021; Vreeland, 2003, 2006). Second, by relinquishing control over economic policies, incumbents lose access to tools for political gain, increasing domestic political pressure (Casper, 2017). Additionally, as the IMF's private incentives may diverge from those of the incumbent, it often promotes policies misaligned with the government's political interests (M. S. Copelovitch, 2010; Dreher et al., 2009; Lang et al., n.d.).

These costs signal an incumbent's commitment to fiscal stabilization. By voluntarily incurring the political expenses of IMF engagement, incumbents provide a seal of approval that enhances investor confidence (Gray, 2013; Vreeland, 2003). Further studies suggest that bearing these costs is interpreted by international financial markets as a credible commitment to stabilization (Cho, 2014; Shim, 2022). While some critics argue that IMF involvement may reflect adverse selec-

tion—signaling economic distress—they acknowledge that joining the IMF can still signal commitment, even if intertwined with broader economic indicators (Bas & Stone, 2014; Chapman et al., 2017).

While the costs of IMF engagement are widely recognized as a signal of the incumbent's commitment to reform in global financial markets, less attention has been paid to their impact on domestic constituents. The debate over securing domestic support for economic reforms has largely centered on the IMF's credibility, with limited exploration of how these costs influence public perceptions during the negotiation process. This gap raises an important question: under what conditions can the IMF's perceived costliness help foster domestic support for economic reforms? In the next section, I argue that, despite its potential biases, the IMF's costliness can play a pivotal role in shaping domestic consensus on reforms within the broader dynamics of political negotiations.

3 Model

3.1 Model Setup

The model presented here examines how two groups negotiate the division of economic reform costs. Initially, Nature draws the reform cost i from a uniform distribution $[a-\sigma, a+\sigma]$, while $a > \sigma > 0$, where higher values of i indicate a worse economic situation requiring greater costs. The parameter σ reflects institutional capacity, representing the uncertainty around the mean a. After i is realized, the Incumbent (I)—who observes i privately—proposes a transfer, α, that the Opposition (O) must pay. If the Opposition accepts, α is transferred to the Incumbent. Notably, α is not constrained to be less than i. If the Opposition rejects the proposal, both sides bear the full reform cost individually.

The Incumbent can also choose to seek assistance from the IMF after observing i. Engaging the IMF imposes an additional public cost on both actors due to potential misalignment with IMF policies. This misalignment cost, expressed as $\epsilon[a+\sigma-i]$, depends on the realized i. When i is large, indicating a more severe economic situation, the value of IMF-provided foreign reserves offsets some of this cost, which diminishes to zero as i approaches its upper bound $a+\sigma$. However, the sensitivities of the two actors to IMF policies differ, captured by ϵ_I and ϵ_O, respectively.

The payoffs for both players depend on i, α, and any IMF-induced costs. If the Opposition accepts the transfer without IMF involvement, its utility is $-\alpha$, while the Incumbent's is $-i+\alpha$. With IMF assistance, the Opposition pays $-\alpha-\epsilon_O[a+\sigma-i]$, and the Incumbent pays $-i+\alpha-\epsilon_I[a+\sigma-i]$. If the Opposition rejects the proposal, both players pay $-i$.

The sequential order of the game is as follows:

1. Nature selects the reform cost $i \sim [a-\sigma, a+\sigma]$.
2. The Incumbent observes i, decides whether to engage the IMF, and proposes α which the opposition should transfer to the Incumbent.
3. The Opposition, observing only α and whether the IMF is involved, decides to accept or reject the proposal.

I solve for the Perfect Bayesian Equilibrium (PBE) of this model, where the Incumbent's use of the IMF serves as a signal to the Opposition about the lower bound of the possible value of i. The equilibrium consists of the Incumbent's strategy for IMF usage and transfer proposals (α_1 when the IMF is not used, and α_2 when it is) as functions of i. Correspondingly, the Opposition's strategy defines acceptance or rejection thresholds for α, contingent on the IMF's involvement.

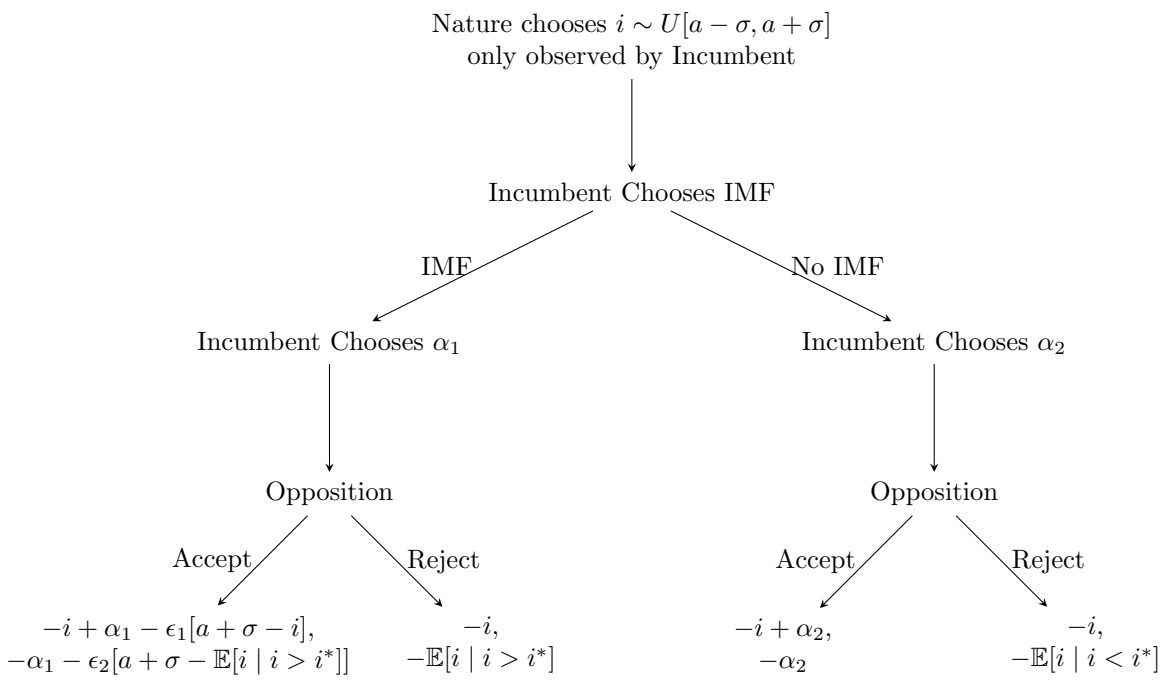


Figure 1: Sequential representation of the model. The game is represented in interim-game form, where the Incumbent's decision to use the IMF alters the Opposition's expected value of i. Based on a cut-point i^*, which is elaborated later, the use of the IMF informs the Opposition that $i \geq i^*$. Since the Incumbent has full information about i, there is no uncertainty in their utility representation.

3.2 Equilibrium

I first characterize the equilibrium in which the incumbent uses the IMF to increases the cost the opposition is willing to bear. I then characterize the conditions under which the IMF could serve this function. Based on this I show how the cost of the IMF makes it serve as a credible signal while decreases their usage by the incumbent.

I consider a "separating equilibrium" in which the incumbent engages with the IMF only when the cost of i surpasses a threshold i^*. For i^* to be an equilibrium, it must make the Incumbent indifferent between their choice of using the IMF.

Lemma 1 (Optimal value of α) *The i^* the incumbent should be indifferent regarding the choice of IMF:*

$$\alpha_1 - \epsilon_I(a+\sigma-i^*) = \alpha_2$$

Second, the Incumbent selects an α value that renders the Opposition indifferent between acceptance and rejection. Since rejection forces the Incumbent to bear the full cost i, any agreement involving a transfer from the opposition benefits the Incumbent. This pushes the incumbent to increase the value of α until the opposition becomes indifferent between accepting and rejecting. Lemma 2, formally derives the maximum value which the incumbent would propose to the Opposition.

LEMMA 2 (OPTIMAL VALUE OF α) *The incumbent would set α as:*

$$\begin{cases} \alpha_1 & = -(a+\sigma)\epsilon_O + (1+\epsilon_O)\frac{a+\sigma+i^*}{2} \\ \alpha_2 & = \frac{a-\sigma+i^*}{2} \end{cases}$$

Proposition 1 derives the value of i^* based on lemma 1 and lemma 2. Corollary 1, using this results, write the utility of both players as a function of the preliminaries. Since the opposition always accepts the offer in equilibrium, I only write the cost of acceptance for cases with and without the IMF.

PROPOSITION 1 (EQUILIBRIUM THRESHOLD AND STRATEGIES) *The threshold value i^* for the separating equilibrium is:*

$$i^* = (a+\sigma) - \frac{2\sigma}{2\epsilon_I + \epsilon_O}$$

COROLLARY 1 (UTILITY IN EQUILIBRIUM)

$$\textit{Utility of the Incumbent} = \begin{cases} i < i^*: & -i + \underbrace{a - \frac{\sigma}{2\epsilon_I + \epsilon_O}}_{\alpha_2} \\ i > i^*: & -i + \underbrace{a + \sigma - \frac{\sigma}{2\epsilon_I + \epsilon_O}}_{\alpha_1} - \underbrace{\epsilon_I[a+\sigma-i]}_{\textit{IMF Cost}} \end{cases}$$

$$\textit{Utility of the Opposition} = \begin{cases} i < i^*: & \underbrace{-a + \frac{\sigma}{2\epsilon_I + \epsilon_O}}_{-\alpha_2} \\ i > i^*: & \underbrace{-(a+\sigma) + \frac{\sigma}{2\epsilon_I + \epsilon_O}}_{-\alpha_1} - \underbrace{\epsilon_O[\frac{1}{2}(a+\sigma) - \frac{\sigma}{2\epsilon_I + \epsilon_O}]}_{\textit{IMF Cost}} \end{cases}$$

Proposition 1 demonstrates how ϵ_I and ϵ_O induce compliance with unpopular reforms, irrespective of the IMF's involvement. An increase in i^* as a function of ϵ_I and ϵ_O indicates that IMF enrollment would likely be deferred until economic conditions become critical. The mechanism that drives this is shown in corollary 1. The cost that the α_2, which is the cost the opposition is willing to pay even without the IMF, increases as a function of ϵ_I, ϵ_O. Thus, the costliness of the IMF deters a country from using them until the value of i is high.

Furthermore, the IMF's signaling mechanism operates regardless of who bears the cost of its reforms. When the incumbent alone bears the cost, this mechanism mirrors a "burning money" strategy, wherein the signaler incurs costs to establish credibility. Corollary 1 demonstrates that both α_1 and α_2 increase as functions of ϵ_I, resembling how the incumbent is willing to pay the cost of keeping the IMF out. Thus, when the Incumbent chooses to use the IMF, it credibly signals to the Opposition that $i > i^*$.

Even when the opposition bears the cost, the IMF can still function as an effective signaling device. Since i^* increases with ϵ_O, and α_2 also rises as a function of ϵ_O, the opposition becomes more willing to accept higher α_2 proposals to prevent IMF involvement. Thus, it is the opportunity cost of the incumbent decides to reject such no-IMF payment that informs the Opposition. This outcome suggests that the cost of the IMF need not always be borne by the incumbent but could instead fall on any political coalition intent on deterring IMF participation.

Corollary 2 (Probability of IMF) *The probability of IMF participation is given by:*

$$Pr(IMF) = \frac{1}{2\epsilon_I + \epsilon_O}$$

The total cost it imposes onto the domestic political coalitions by the IMF allows it to serve as a signal while an increase above the threshold decreases the probability of their usage. Proposition 1 shows that for a separating equilibrium to exist, the total cost of the IMF program should satisfy $2\epsilon_I + \epsilon_O > 1$. Furthermore, the ratio between ϵ_I and ϵ_O is irrelevant for their function. It is also the case that above this threshold an increase in ϵ increases i^*, making IMF to be less likely to be used only under severe conditions. Formally the probability of IMF entrance decreases as a function of ϵ. The empirical expectation of corollary 2 is that the probability of a country engaging into the IMF is decreases as a function of both the cost of the incumbent and the opposition.

4 Empirical Test

4.1 Design

This section tests the following hypothesis from the model:

Hypothesis 1 *An increase of cost from engaging with the IMF for either the incumbent or the opposition decreases their usage.*

To measure the cost of IMF, I rely on the economic ideological positions of the incumbent, opposition, and the Mission Chief (MC) of the IMF. These economic ideological positions are defined based on Hall et al., 2001, where a right-wing government is characterized by a tendency to reduce government intervention in the market by lowering taxes, cutting social spending, and promoting privatization. This ideological framework aligns with the debate surrounding the costliness of the IMF, as its policies are often criticized for reducing social spending and pushing for market privatizations (Lipscy, 2017).

For the incumbent and opposition, I measure their ideological stance using the V-Party data (**<empty citation>**), which categorizes each party's position according to the aforementioned framework. The incumbent and opposition parties are identified based on their support for the newly formed government. A party with more than one cabinet member or explicit support for the government is classified as part of the incumbent, while others are categorized as opposition. By weighing the proportion of seats held by each party, the economic ideological positions of the incumbent and opposition are calculated.

The bias of the IMF is measured through the Mission Chiefs (MCs), who lead the negotiation processes for IMF programs. Qualitative research demonstrates that MCs, who rotate across countries every 2 to 3 years, have significant autonomy in designing IMF programs, with minimal intervention from the Executive Boards (Nelson, 2017). Furthermore, quantitative research highlights that these bureaucratic-level biases contribute to significant variance in the stringency of program conditionalities (Lang et al., n.d.). For instance, a MC with a high value of Spending Limits would have a tendency to introduce higher number of conditionalities imposing the government to decrease their social spending than others. Drawing on Lang et al., n.d., I use the MCs' ideological biases to measure the distance between a country and the IMF. Each country is aware of which MC they will likely negotiate with if they enter an IMF program. Therefore, the cost of IMF programs varies for governments with similar economic ideological positions if their assigned MCs differ.

The bias of the MCs is measured along three dimensions: (1) Spending Limits, (2) Tax Increases, and (3) Pro-Market Reforms. These biases are measured based on the conditionalities

which the MCs have assigned to a country. As the MCs rotate around countries, the main identification strategy of Lang et al., n.d. is to compare how different MCs assign different number of conditionalities to the same country under similar economic conditions. Thus, MCs with more exposure to IMF programs have better data to measure their biases. Therefore, following Lang et al., n.d. the main analysis is comprised of MCs with at least three programs. The results are not sensitive to these cutoffs. Lastly, while higher values on Spending Limits and Pro-Market Reforms align with economically right-wing preferences, the interpretation of Tax Increase requires an opposite approach: lower values here indicate greater right-wing tendencies.

Using these measures of IMF program costs, I test how the incumbent chooses to join an IMF program. The dependent variable is a binary indicator set to 1 if the country is under an IMF program in a given year. Existing literature indicates that the incumbent has significant autonomy in deciding to enter an IMF program, while the opposition has political leverage to oppose such decisions (Vreeland, 2003). However, opposition efforts to block participation in an IMF program can exacerbate economic crises, as the country risks losing credibility by rejecting fiscal stabilization programs. This dynamic—where the incumbent decides to join while the opposition bears the cost of vetoing—maps onto my model.

One challenge is that the ideological biases of the incumbent and opposition are measured on different scales compared to the biases of the MCs. To address this, I use a directional model. In this model, the interaction between two scales measuring the same concept, where higher scores indicate economically right-wing ideologies. A bigger interaction term indicates that the measures are converging in direction. Conversely, the coefficient for Tax Increases is expected to be negative because greater alignment on this dimension reduces the perceived cost of participation for more right-wing governments. This approach avoids the need for direct comparisons between the scales while capturing the effects of their alignment. Formally, adding in two-way fixed effects to control for any country-level for year-level variations:

$$IMF_{it} = \beta_1 Incumbent_{it} + \beta_2 Opposition_{it} + \beta_3 MC_{it} \tag{1}$$

$$+ \beta_4 (Incumbent_{it} \times MC_{it}) + \beta_5 (Opposition_{it} \times MC_{it}) + \mathbf{X}_{it} + i + t + \epsilon_{it} \tag{2}$$

Here the theoretical expectation of β_4 and β_5 would be positive for MC bias measured as Spending Limits and Pro-Market reforms while negative for Tax increase. Other economic and political variables in $\mathbf{X}$ control for country level traits which might influence a country's decision to join the IMF program [1].

For this model to be unbiased, I would need the MCs to be randomly assigned to countries conditioning on the ideology of the incumbent and the opposition coalition. Extent literature show that it is hard to find that the allocation of MCs have been strategically been made. For instance, Lang et al., n.d. shows that the economic standing of a country does not predict the ideological trait of the incoming MCs ideology. Furthermore, **beaudry** argues that MC assignments are predominantly determined by their career stages rather then their individual level traits. However, MC allocations could be endogenously made based on unobservable factors. In case where there is a higher probability of the MCs of the similar trait from the incumbent and the opposition to be assigned to a country, this model would overestimate its effects.

4.2 Results

Figure 2 illustrates how the ideological alignment of the median citizen (MC), the incumbent government, and the opposition party influences the incumbent's decision to engage in IMF programs.

[1] Full list of controls are in the appendix. The results are not sensitive to the composition of the control variables.

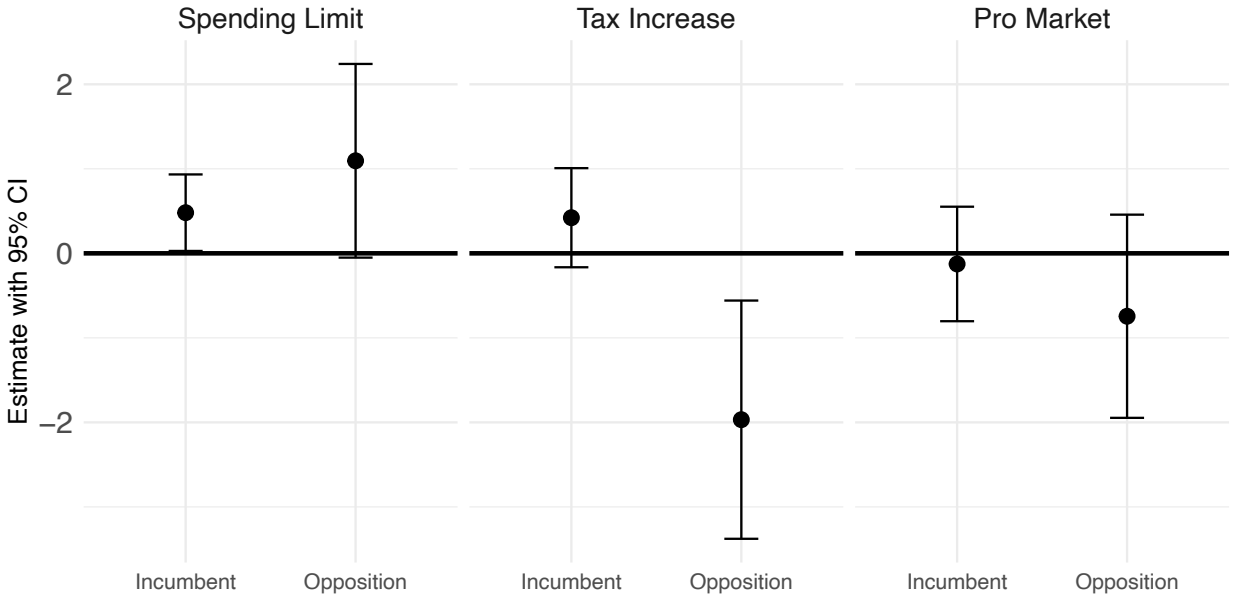


Figure 2: IMF cost and Probability of IMF

The regression specification follows equation (1), with the MC's ideological biases (Spending Limit, Tax Increase, and Pro-Market) interacted with the economic ideologies of both the incumbent and the opposition, resulting in six interaction terms. The full regression table is provided in the Appendix.

Neither the MC's ideology nor the economic ideologies of the incumbent and opposition exhibit direct significant effects, allowing for independent interpretation of the interaction terms. Specifically, the two bars under "Spending Limit" represent the coefficients for the interaction between the MC's preference for spending limit conditionality and the economic ideologies of the incumbent (left bar) and the opposition (right bar). This analysis spans 85 countries over 34 years. The Appendix also demonstrates that results remain consistent when each MC bias is interacted separately with the ideologies of the incumbent and opposition.

The findings suggest that countries are more likely to participate in IMF programs when the political costs for both the incumbent and the opposition are low. For spending limits, the results show that a higher MC preference for spending restrictions makes economically right-wing incumbents and oppositions more likely to join IMF programs. For the tax increase bias, the effect is significant only for the opposition, with right-wing opposition ideologies reducing the probability of IMF program participation in the presence of an MC inclined toward tax hikes. Finally, no significant effects are observed for the interaction between the MC's pro-market bias and the economic ideologies of the incumbent or the opposition.

(Future iterations of the results section will aim to establish the robustness of the coefficients of interest to the selection of control groups. First, while the primary analysis focuses on MCs with experience in at least three IMF programs to ensure reliable measurement of their ideological preferences, relaxing this criterion to include MCs with only two programs reduces the significance of the opposition's economic ideological stance when interacting with the MC's spending limit preferences.

Second, additional analysis following Hainmueller et al. (2019) indicates that the model's linearity assumption may not hold. Kernel density estimations suggest that MC alignment with spending

limit preferences increases the likelihood of IMF program participation, while misalignment with MC preferences for tax increases reduces this likelihood.)

5 Mechanism Test

In order to further support my argument, I supplement it with individual level data regarding how people's perception change due to IMF entrance. The theoretical expectation is the entrance of IMF programs would induce people to think that the economy is bad while having higher compliance to government policies.

5.1 Research Design

It is difficult to estimate the effect of IMF programs because they are confounded with economic downturns. IMF programs are often initiated in countries with dire economic conditions (Bas & Stone, 2014). This confounds the impact we aim to measure, making it difficult to distinguish between the effects of the IMF programs and the underlying economic conditions (as summarized in Stubbs et al. (2020)). Furthermore, it is difficult to ascertain the true effect of the IMF because countries adopt IMF programs voluntarily. These problems have long been recognized as central issues in empirical analyses, often complicating or altering results (Chapman et al., 2017; Przeworski & Vreeland, 2000).

I leverage the quasi-random timing of IMF program announcements that occur within a Gallup World Poll survey wave. Following (Depetris-Chauvin et al., 2020; Goldsmith et al., 2021), I assume that the survey respondents interviewed before (control group) and after (treatment group) the IMF initiation are not systematically different. By comparing public opinion about their current and expected economic status before and after the IMF program initiation, I can identify the effect of the IMF under this assumption. Under this design, all survey respondents are under similar economic conditions, given they are only a few days apart.

I report statistics showing that this assumption is plausible. First, in the appendix, I show that the respondents before and after the IMF program initiation are not systematically different based on their age, gender, education, income, marital status, and nation of birth. Also, I report a pre-trend analysis as a placebo test in the results section. Second, to address the possibility that the results are driven by external events coinciding with the IMF program initiation, I re-estimate the results after excluding each case individually. Lastly, the media publishes information about the negotiation stage with some general expectation that a deal will be made soon. This anticipation effect would only lead to an underestimation of my quantity of interest.

The treatment is the date of IMF initiation. There are two important dates in the IMF negotiation process: the Staff Agreement and the Board Approval. IMF missions are negotiated with IMF staff, who are considered more bureaucratic and are mainly composed of economists (Nelson, 2017). Once negotiations are completed with the staff, the country writes a Letter of Intent outlining the agreed-upon conclusions, which include future plans for reform and the amount of funding needed. After the country receives this letter, the IMF Executive Board, composed of 24 representatives of each state or state group, approves the program, officially initiating an IMF program. On this date, the amount of the first tranche of monetary disbursement is determined and scheduled for disbursement. An important pattern is that the conclusion of staff negotiations serves as a de facto beginning date of IMF programs, since the Executive Board seldom declines or changes the staff-level agreement (Nelson, 2017). For instance, in Argentina in 2018, the approval of a program was already announced on June 7th, the date of the staff agreement, before the Board Approval was finalized (Zumbrun & Dube, 2018). On June 20th, the formal approval of the IMF program was announced, along with news regarding Argentina's access to their quota (Zumbrun, 2018). I obtained these dates from the newly compiled dataset by Ferry and Zeitz (2024).

The dependent variables are from the Gallup World Poll Survey, which provides robust coverage of countries and time frames available for analysis.[2] Furthermore, it provides the interview date of each respondent and a wide range of questionnaires, making it possible for a robust research design. For this analysis, I include countries across Asia, Africa, Europe, and Latin America for periods from 2008 to 2019. First, to test how the public perceives the economy, I use responses to a question asking individuals to assess their current economic condition on a scale from 0 (worst) to 10 (best). This directly measures people's perception about their economic status, my main quantity of interest.

Second, to test if such information transfer increases the public's compliance toward the government, I test how the public's confidence toward to government changes. The questionnaire measures rather if the respondents' opinion of their confidence toward the incumbent's, coded as 0 for "disapprove" and 1 for "approve." While this does not directly observe the public's willingness to bare the cost of reforms, it approximates if public trusts the government decision to push for stabilization policies through the IMF.

To estimate the average treatment effect of IMF programs on public perception, I run a fixed effects regression assuming the Linear Probability Model. This approach estimates the mean difference between the control and treatment groups for each IMF program and then pools these differences across cases. The choice of bandwidth for the control and treatment groups involves a trade-off between statistical power, which increases with more observations, and the plausibility of the assumption that there are no systematic differences between the control and treatment groups. For the main analysis, with the IMF Board Approval as time t, the control group is defined as the period from $t-3$ to $t-1$, while the treatment group includes those interviewed during $t+1$ to $t+5$. While the results presented here are based on an arbitrary boundary for analysis, in Appendix C I show that they are robust to different sets of bounds.

5.2 Results

Table 1: Effect of IMF on Cumulated Respondents from t+1 to t+5. **(a) Current Economic Situation**: Good (10) – Bad (0), **(b) Government Confidence**: Yes (1) – No (0). Full Questionnaire in Appendix A

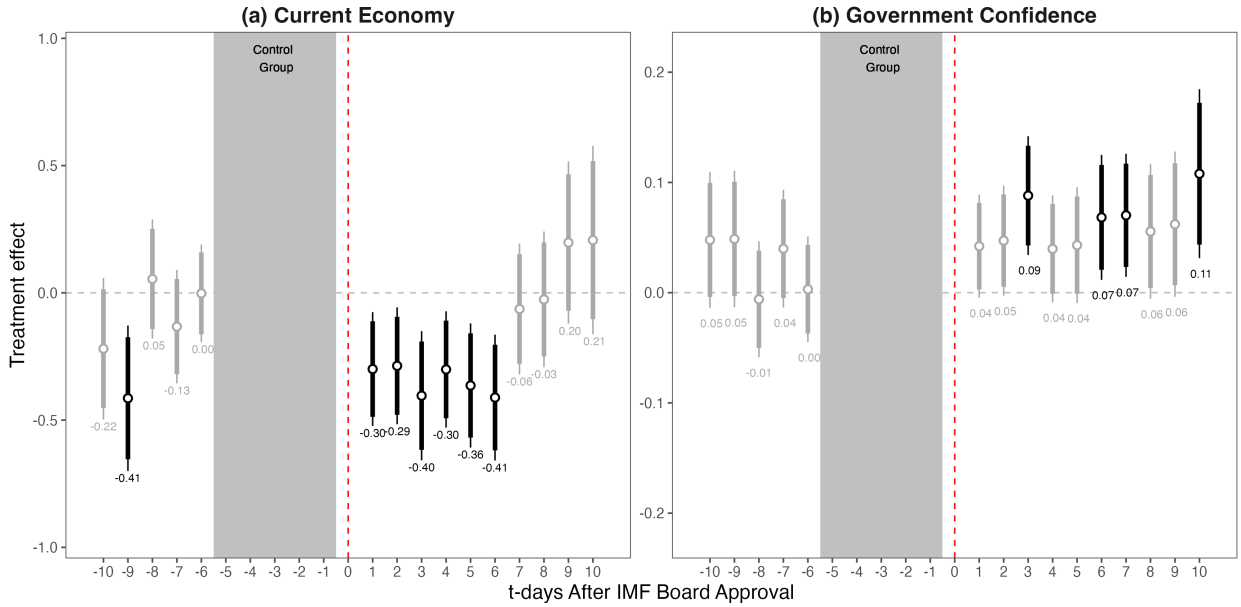
	Board Approval		Staff Agreement	
	Current Econ	Confidence	Current Econ	Confidence
IMF	-0.450^{***}	0.056^{***}	-0.336^{***}	0.064^{***}
	(0.071)	(0.016)	(0.094)	(0.019)
Case-specific fixed effects?	Yes	Yes	Yes	Yes
Observations	5,556	4,519	3,368	3,117
Note:				*p<0.1; **p<0.05; ***p<0.01

Based on the Board Approval and IMF Staff Agreement dates, Table 1 illustrates the mean value differences of the dependent variables compared to the control group. Each column corresponds to the three variables mentioned earlier: Evaluation of Current Economy and Government Confidence. The analysis includes 12 cases for the Staff Agreement and 18 cases for the Board Approval.[3]

[2] Full questionnaire in Appendix

[3] The analysis for Table **??**(a) includes 12 IMF program initiations in Bangladesh, Bosnia and Herzegovina, Congo-Kinshasa, Ecuador, Madagascar, Mali, Mozambique, Portugal, Romania, Chad, and Ukraine. The analysis for Table

Both the Board Approval and Staff Agreements have an effect of decreasing the public's current economic evaluation. At the same time we see a two-sided effect as the IMF increases government confident, giving more leverage for the incumbent to pursue domestic economic policies. This supports the micro mechanism of the model as the incumbent is able to decrease the public's economic perspective, while garnering additional leverage over them.



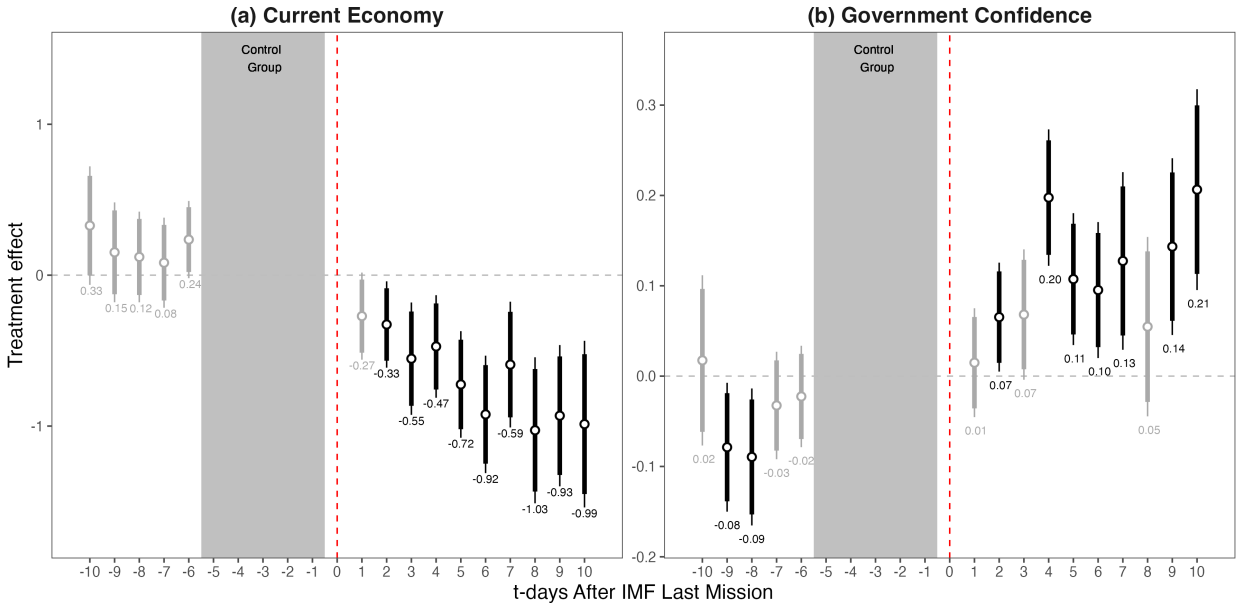
Box: $p < 0.05$, *Line:* $p < 0.1$

Figure 3: Effect of IMF program on the public's perception on the Economy and the Incumbent. For all subplots, the gray area from $t-5$ to $t-1$ is set as the control group. $t=0$ is the time of treatment (IMF Board Approval). Each bar represents the difference between control and the respondents of the date on the x-axis. For pre-trend analysis, see $t-6$ to $t-10$. Each sub-figure measures: **(a) Current Economic Situation**: Good (10) – Bad (0), **(b) Government Confidence**: Yes (1) – No (0). Full Questionnaire in Appendix A.

To provide a comprehensive picture of my empirical results, I report the effect of IMF programs on these variables on a daily basis. Figure 3 and 4 shows the effect of IMF programs daily before and after the Board Approval and Staff Agreement. The dates $t-5$ to $t-10$ represent the pre-trend analysis, while the period from $t+1$ to $t+10$ captures the daily main effects of interest. The pre-trend analysis indicates that there is no statistically significant time trend. This finding suggests that any changes observed after the program's start are unlikely to be confounded by prior trends, indicating that the economic conditions necessitating the IMF intervention had stabilized with no significant shifts in public perception prior to treatment. This addresses a central concern in the IMF literature, demonstrating that the effects of IMF programs can be effectively isolated from the impact of deteriorating economic conditions, thereby strengthening the validity of the results.

Turning to the main results, the initiation of IMF programs leads to a decrease in the public's perception of their current economic situation, while simultaneously increasing their confidence toward to government. This effect is not merely a temporary response to the announcement; it persists over time. Second, as the public recognizes their economic distress, they increase their

??(b) includes 18 IMF program initiations in Armenia, Congo, Comoros, Cyprus, Ecuador, Gabon, Ghana (2009 and 2015), Iraq, Kyrgyzstan, Mexico, Mali (2008 and 2019), Niger, Nepal, Sierra Leone, Ukraine, and Zambia.



Box: $p < 0.05$, *Line:* $p < 0.1$

Figure 4: Effect of IMF program on the public's perception on the Economy and the Incumbent. For all subplots, the gray area from $t-5$ to $t-1$ is set as the control group. $t=0$ is the time of treatment (IMF Staff Agreement). Each bar represents the difference between control and the respondents of the date on the x-axis. For pre-trend analysis, see $t-6$ to $t-10$. Each sub-figure measures: **(a) Current Economic Situation**: Good (10) – Bad (0), **(b) Government Confidence**: Yes (1) – No (0). Full Questionnaire in Appendix A.

confidence toward to incumbent. As shown in both Figures 3 and 4, the public's perception of the country and their own economic development rise after the initiation of the IMF program and remain statistically significant over time.

The empirical results support the information validation function of the IMF, which facilitates public compliance with necessary fiscal stabilization. First, the finding that the public's assessment of their own economic situation declines after IMF involvement indicates the IMF's role in updating public perception regarding economic stability. Second, I test how the public evaluates the government and their country after adopting an IMF program as a proxy for their support for IMF programs. Empirical results shows how the public becomes informed by IMF programs, leading to a decreased assessment of their current economic status. Furthermore, results suggest that the IMF program increases the public's confidence toward the government.

6 Conclusion

This study provides new insights into the role of IMF programs in shaping public perception during economic downturns. First, I demonstrate that the announcement of IMF programs leads to a significant decrease in the public's assessment of their current economic situation. This indicates that the IMF acts as an external validator, conveying credible information about economic decline that may not have been fully recognized by the public. Second, despite this negative update on current conditions, I find that the public's expectations regarding future economic development increase, and support for the incumbent government rises following IMF program announcements. This suggests that the public not only understands the its implication for the current economy, but the necessity of fiscal stabilization measures by the IMF as a pathway to economic recovery.

These findings highlight a previously underexplored domestic signaling effect of IMF programs, shifting the focus from their impact on international markets to their influence on domestic constituents. By addressing informational asymmetries, the IMF facilitates public compliance with necessary but potentially unpopular economic reforms, thereby reducing the political costs traditionally associated with such measures. This underscores the importance of considering the informational role of international institutions in domestic policy implementation.

Our study opens several avenues for future research. While we have focused on the IMF's role in addressing informational problems, it would be valuable to explore whether other international financial institutions exert similar signaling effects on domestic audiences. Although the impacts of World Bank projects have been studied, further research should examine how the public perceives loans and interventions from institutions like the Asian Infrastructure Investment Bank (AIIB), African Development Bank, and Asian Development Bank, and how these perceptions differ from those regarding the IMF. Understanding the public's varying perceptions of these institutions could provide a more nuanced view of international finance's role in domestic politics.

Second, within the IMF itself, future research could delve into the heterogeneity of loan programs. Different lending facilities—such as the Stand-By Arrangement (SBA), Extended Fund Facility (EFF), and Rapid Credit Facility (RCF)—vary in objectives, conditionalities, and durations. Investigating whether the public distinguishes between these types of programs and how this affects their perceptions of the economy and government could offer deeper insights into the political economy of IMF interventions.

Furthermore, the current analysis does not account for potential temporal and sectoral variations in public perception. Individual economic conditions are closely related to sectoral affiliations, as a broad range of literature shows through the heterogeneous economic effects of IMF programs across domestic constituencies. Future studies could examine whether individuals employed in heavily subsidized industries or those more directly affected by austerity measures respond differently to IMF program announcements. Additionally, exploring the temporal sustainability of the IMF's effects would help understand whether the short-term persuasion exerted by IMF programs persists over time. Specifying the heterogeneity across individual traits and their perceptions about the need for fiscal stabilization represents another important area for future research.

In conclusion, our findings suggest that the IMF plays a significant role in informing the public about economic crises, thereby facilitating the implementation of necessary fiscal stabilization policies with public support. Recognizing the IMF as an actor that can address informational challenges opens new perspectives on the interplay between international institutions and domestic political dynamics during economic downturns. This study contributes to the broader literature on international finance and domestic politics by highlighting the importance of information dissemination in gaining public support for economic reforms.

References

Alesina, A., Ardagna, S., & Trebbi, F. (2006). Who adjusts and when? the political economy of reforms. *IMF Staff Papers*, *53*(1), 1–29.

Alesina, A., & Drazen, A. (1991). Why are stabilizations delayed? [Publisher: American Economic Association]. *The American Economic Review*, *81*(5), 1170–1188. Retrieved March 6, 2024, from https://www.jstor.org/stable/2006912

Baccini, L., & Urpelainen, J. (2014). International institutions and domestic politics: Can preferential trading agreements help leaders promote economic reform? [Publisher: The University of Chicago Press]. *The Journal of Politics*, *76*(1), 195–214. https://doi.org/10.1017/S0022381613001278

Baccini, L., & Urpelainen, J. (2015). *Cutting the gordian knot of economic reform: When and how international institutions help* [Google-Books-ID: EG7DBAAAQBAJ]. Oxford University Press.

Barro, R. J., & Lee, J.-W. (2005). IMF programs: Who is chosen and what are the effects? *Journal of Monetary Economics*, *52*(7), 1245–1269. https://doi.org/10.1016/j.jmoneco.2005.04.003

Bas, M. A., & Stone, R. W. (2014). Adverse selection and growth under IMF programs. *The Review of International Organizations*, *9*(1), 1–28. https://doi.org/10.1007/s11558-013-9173-1

Broz, J. L., & Hawes, M. B. (2006). Congressional politics of financing the international monetary fund [Publisher: Cambridge University Press]. *International Organization*, *60*(2), 367–399. https://doi.org/10.1017/S0020818306060115

Brutger, R., & Strezhnev, A. (2022). International investment disputes, media coverage, and backlash against international law [Publisher: SAGE Publications Inc]. *Journal of Conflict Resolution*, *66*(6), 983–1009. https://doi.org/10.1177/00220027221081925

Carrubba, C. J. (2005). Courts and compliance in international regulatory regimes [Publisher: The University of Chicago Press]. *The Journal of Politics*, *67*(3), 669–689. https://doi.org/10.1111/j.1468-2508.2005.00334.x

Carrubba, C. J. (2009). A model of the endogenous development of judicial institutions in federal and international systems. *The Journal of Politics*, *71*(1), 55–69. https://doi.org/10.1017/S002238160809004X

Casper, B. A. (2017). IMF programs and the risk of a coup d'état. *Journal of Conflict Resolution*, *61*(5), 964–996. https://doi.org/10.1177/0022002715600759

Chapman, T., Fang, S., Li, X., & Stone, R. W. (2017). Mixed signals: IMF lending and capital markets. *British Journal of Political Science*, *47*(2), 329–349. https://doi.org/10.1017/S0007123415000216

Chaudoin, S. (2014). Audience features and the strategic timing of trade disputes [Publisher: Cambridge University Press]. *International Organization*, *68*(4), 877–911. https://doi.org/10.1017/S0020818314000174

Chaudoin, S., & Woon, J. (2018). How hard to fight? cross-player effects and strategic sophistication in an asymmetric contest experiment [Publisher: The University of Chicago Press]. *The Journal of Politics*, *80*(2), 585–600. https://doi.org/10.1086/694542

Cho, H. J. (2014). Impact of IMF programs on perceived creditworthiness of emerging market countries: Is there a "nixon-goes-to-china" effect?1. *International Studies Quarterly*, *58*(2), 308–321. https://doi.org/10.1111/isqu.12063

Copelovitch, M., & Pevehouse, J. C. (2015, May 1). Bridging the silos: Trade and exchange rates in international political economy. In L. L. Martin (Ed.), *The oxford handbook of the political economy of international trade* (p. 0). Oxford University Press. https://doi.org/10.1093/oxfordhb/9780199981755.013.6

Copelovitch, M. S. (2010). Master or servant? common agency and the political economy of IMF lending [Publisher: [International Studies Association, Wiley]]. *International Studies Quarterly*, *54*(1), 49–77. Retrieved March 30, 2024, from https://www.jstor.org/stable/40664237

Dai, X. (2005). Why comply? the domestic constituency mechanism. *International Organization*, *59*(2), 363–398. https://doi.org/10.1017/S0020818305050125

Davis, C. L., & Wilf, M. (2017). Joining the club: Accession to the GATT/WTO [Publisher: The University of Chicago Press]. *The Journal of Politics*, *79*(3), 964–978. https://doi.org/10.1086/691058

Depetris-Chauvin, E., Durante, R., & Campante, F. (2020). Building nations through shared experiences: Evidence from african football. *American Economic Review*, *110*(5), 1572–1602. https://doi.org/10.1257/aer.20180805

Drazen, A. (2002). Conditionality and ownership in IMF lending: A political economy approach [ISBN: 9781589061231 Publisher: International Monetary Fund Section: IMF Staff Papers]. *IMF Staff Papers*, *2002*(5). https://doi.org/10.5089/9781589061231.024.A002

Drazen, A., & Easterly, W. (2001). Do crises induce reform? simple empirical tests of conventional wisdom [_eprint: https://onlinelibrary.wiley.com/doi/pdf/10.1111/1468-0343.00087]. *Economics & Politics*, *13*(2), 129–157. https://doi.org/10.1111/1468-0343.00087

Drazen, A., & Grilli, V. (1993). The benefit of crises for economic reforms [Publisher: American Economic Association]. *The American Economic Review*, *83*(3), 598–607. Retrieved September 20, 2024, from https://www.jstor.org/stable/2117535

Dreher, A., & Gassebner, M. (2012). Do IMF and world bank programs induce government crises? an empirical analysis [Publisher: [MIT Press, University of Wisconsin Press, Cambridge University Press, International Organization Foundation]]. *International Organization*, *66*(2), 329–358. Retrieved November 30, 2023, from https://www.jstor.org/stable/41428958

Dreher, A., Sturm, J.-E., & Vreeland, J. R. (2009). Global horse trading: IMF loans for votes in the united nations security council. *European Economic Review*, *53*(7), 742–757. https://doi.org/10.1016/j.euroecorev.2009.03.002

Eichengreen, B., & Woods, N. (2016). The IMF's unmet challenges. *Journal of Economic Perspectives*, *30*(1), 29–52. https://doi.org/10.1257/jep.30.1.29

Fernandez, R., & Rodrik, D. (1991). Resistance to reform: Status quo bias in the presence of individual-specific uncertainty. *The American economic review*, 1146–1155.

Ferry, L. L., & Zeitz, A. O. (2024). The power of having powerful friends: Evidence from a new dataset of IMF negotiating missions, 1985-2020. *The Review of International Organizations*, *19*(3), 411–442. https://doi.org/10.1007/s11558-024-09537-4

Forster, T., Kentikelenis, A. E., Reinsberg, B., Stubbs, T. H., & King, L. P. (2019). How structural adjustment programs affect inequality: A disaggregated analysis of IMF conditionality, 1980–2014. *Social Science Research*, *80*, 83–113. https://doi.org/10.1016/j.ssresearch.2019.01.001

Goldsmith, B. E., Horiuchi, Y., & Matush, K. (2021). Does public diplomacy sway foreign public opinion? identifying the effect of high-level visits. *American Political Science Review*, *115*(4), 1342–1357. https://doi.org/10.1017/S0003055421000393

Goldstein, J., & Martin, L. L. (2000). Legalization, trade liberalization, and domestic politics: A cautionary note. *International Organization*, *54*(3), 603–632. https://doi.org/10.1162/002081800551226

Gray, J. (2013). *The company states keep: International economic organizations and investor perceptions*. Cambridge University Press. https://doi.org/10.1017/CBO9781139344418

Hainmueller, J., Mummolo, J., & Xu, Y. (2019). How much should we trust estimates from multiplicative interaction models? simple tools to improve empirical practice. *Political Analysis*, *27*(2), 163–192. https://doi.org/10.1017/pan.2018.46

Hall, P. A., Soskice, D. W., Hall, P. A., & Soskice, D. (2001). *Varieties of capitalism: The institutional foundations of comparative advantage* (1st ed.). Oxford University Press. https://doi.org/10.1093/0199247757.001.0001

Hübscher, E., Sattler, T., & Wagner, M. (2021). Voter responses to fiscal austerity. *British Journal of Political Science*, *51*(4), 1751–1760. https://doi.org/10.1017/S0007123420000320

Hübscher, E., Sattler, T., & Wagner, M. (2023). Voters and the IMF: Experimental evidence from european crisis countries [Publisher: SAGE Publications Inc]. *Comparative Political Studies*, 00104140231204229. https://doi.org/10.1177/00104140231204229

Lang, V., Wellner, L., & Kentikelenis, A. (n.d.). Biased bureaucrats and the policies of international organizations [_eprint: https://onlinelibrary.wiley.com/doi/pdf/10.1111/ajps.12921]. *American Journal of Political Science*, *n/a*. https://doi.org/10.1111/ajps.12921

Lipscy, P. Y. (2017). *Renegotiating the world order: Institutional change in international relations*. Cambridge University Press. https://doi.org/10.1017/9781316570463

Mansfield, E. D., Milner, H. V., & Rosendorff, B. P. (2002). Why democracies cooperate more: Electoral control and international trade agreements [Publisher: [MIT Press, University of Wisconsin Press, Cambridge University Press, International Organization Foundation]]. *International Organization*, *56*(3), 477–513. Retrieved February 25, 2024, from https://www.jstor.org/stable/3078586

McDowell, D., Steinberg, D., Aytaç, S. E., & Gueorguiev, D. (2024). Developing-country representation and public attitudes toward international organizations: The case of IMF governance reform. *International Studies Quarterly*, *68*(3), sqae100. https://doi.org/10.1093/isq/sqae100

Mian, A., Sufi, A., & Trebbi, F. (2014). Resolving debt overhang: Political constraints in the aftermath of financial crises. *American Economic Journal: Macroeconomics*, *6*(2), 1–28. https://doi.org/10.1257/mac.6.2.1

Milner, H. V., & Kubota, K. (2005). Why the move to free trade? democracy and trade policy in the developing countries [Publisher: Cambridge University Press]. *International Organization*, *59*(1), 107–143. https://doi.org/10.1017/S002081830505006X

Nelson, S. C. (2017). *The currency of confidence: How economic beliefs shape the IMF's relationship with its borrowers* (1st ed.). Cornell University Press. Retrieved October 23, 2023, from https://www.jstor.org/stable/10.7591/j.ctt1mmfs10

Pelc, K. J. (2013). Googling the WTO: What search-engine data tell us about the political economy of institutions [Publisher: Cambridge University Press]. *International Organization*, *67*(3), 629–655. https://doi.org/10.1017/S0020818313000179

Pinto, P. M., Rickard, S. J., & Vreeland, J. R. (2025). The effect of international actors on public support for government spending decisions. *International Studies Quarterly*, *69*(1), sqae150. https://doi.org/10.1093/isq/sqae150

Przeworski, A., & Vreeland, J. R. (2000). The effect of IMF programs on economic growth. *Journal of development economics*, *62*(2), 385–421. https://doi.org/10.1016/s0304-3878(00)00090-0

Rodrik, D. (1996). Understanding economic policy reform [Publisher: American Economic Association]. *Journal of Economic Literature*, *34*(1), 9–41. Retrieved September 20, 2024, from https://www.jstor.org/stable/2729408

Shim, S. (2022). Who is credible? government popularity and the catalytic effect of IMF lending [Publisher: SAGE Publications Inc]. *Comparative Political Studies*, *55*(13), 2147–2177. https://doi.org/10.1177/00104140211060280

Stone, R. W. (2011). *Controlling institutions: International organizations and the global economy*. Cambridge University Press. https://doi.org/10.1017/CBO9780511793943

Stubbs, T., Reinsberg, B., Kentikelenis, A., & King, L. (2020). How to evaluate the effects of IMF conditionality. *The Review of International Organizations*, *15*(1), 29–73. https://doi.org/10.1007/s11558-018-9332-5

Tomz, M., Goldstein, J. L., & Rivers, D. (2007). Do we really know that the WTO increases trade? comment. *American Economic Review*, *97*(5), 2005–2018. https://doi.org/10.1257/aer.97.5.2005

Tomz, M., & Wright, M. L. J. (2007). Do countries default in "bad times"? [Publisher: Oxford University Press]. *Journal of the European Economic Association*, *5*(2), 352–360. Retrieved February 8, 2024, from https://www.jstor.org/stable/40005039

Vreeland, J. R. (2003). *The IMF and economic development*. Cambridge University Press. https://doi.org/10.1017/CBO9780511615726

Vreeland, J. R. (2006, December 6). *The international monetary fund (IMF): Politics of conditional lending* [Google-Books-ID: w0Z_AgAAQBAJ]. Routledge.

Weyland, K. (1998). Swallowing the bitter pill: Sources of popular support for neoliberal reform in latin america. *Comparative Political Studies*, *31*(5), 539–568.

Weyland, K. (2021). *The politics of market reform in fragile democracies: Argentina, brazil, peru, and venezuela*. Princeton University Press. Retrieved September 20, 2024, from https://muse.jhu.edu/pub/267/monograph/book/79673

Yildirim, A. B., Tyson Chatagnier, J., Poletti, A., & De Bièvre, D. (2018). The internationalization of production and the politics of compliance in WTO disputes. *The Review of International Organizations*, *13*(1), 49–75. https://doi.org/10.1007/s11558-017-9278-z

Zumbrun, J. (2018). IMF board formally approves $50b bailout of argentina – market talk [Publisher: Dow Jones & Company, Inc.]. *Dow Jones Institutional News*. Retrieved October 31, 2024, from http://global.factiva.com/redir/default.aspx?P=sa&an=DJDN000020180620ee6k002a8&cat=a&ep=ASE

Zumbrun, J., & Dube, R. (2018). IMF, argentina agree on $50 billion bailout deal – update [Publisher: Dow Jones & Company, Inc.]. *Dow Jones Institutional News*. Retrieved October 31, 2024, from http://global.factiva.com/redir/default.aspx?P=sa&an=DJDN000020180607ee67003jf&cat=a&ep=ASE