

1. Record Nr.	UNINA9910815301803321
Autore	Combes Jean-Louis
Titolo	How does trade openness influence budget deficits in developing countries? // prepared by Jean-Louis Combes and Tahsin Saadi-Sedik
Pubbl/distr/stampa	[Washington, D.C.], : International Monetary Fund, Fiscal Affairs Dept., 2006
ISBN	1-4623-9724-7 1-4527-1988-8 1-283-51735-3 1-4519-0799-0 9786613829801
Edizione	[1st ed.]
Descrizione fisica	1 online resource (22 p.)
Collana	IMF working paper ; ; WP/06/3
Altri autori (Persone)	Saadi-SedikTahsin
Soggetti	Terms of trade - Developing countries Budget - Developing countries Developing countries Commercial policy
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"January 2006." "This paper is forthcoming in the Journal of development studies."-- Abstract.
Nota di bibliografia	Includes bibliographical references (p. 17-20).
Nota di contenuto	""Contents""; ""I. INTRODUCTION""; ""II. THEORETICAL EFFECTS OF TRADE OPENNESS ON BUDGET DEFICITS""; ""III. THE MEASURE OF TERMS OF TRADE INSTABILITY""; ""IV. THE MEASURE OF THE REVEALED TRADE POLICY""; ""V. THE ECONOMETRIC STRATEGY""; ""VI. CONCLUSIONS""; ""APPENDIX I""; ""REFERENCES""
Sommario/riassunto	This paper analyzes the effects of trade openness on budget balances by distinguishing the effects of natural openness from those of trade-policy induced openness. Using the GMMsystem estimator, the econometric analysis focuses on 66 developing countries during 1974-98. The results show that trade openness increases a country's exposure to external shocks regardless of its underlying causes. This reinforces the adverse effects of terms of trade instability on budget balances. However, trade openness also influences budget balances through several other channels: corruption, income inequalities, etc.

The paper shows that these additional effects of natural openness and trade-policy induced openness on budget balances go in opposite directions: the former deteriorates budget balances whereas the latter improves them.

---