

1. Record Nr.	UNINA9910956119003321
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Titolo	Donor Herding and Domestic Debt Crisis / / Ephraim Chirwa, Montfort Mlachila, Yohane Anthony Khamfula
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2006
ISBN	9786613829863 9781462309450 1462309453 9781452746111 1452746117 9781283517416 1283517418 9781451909036 1451909039
Edizione	[1st ed.]
Descrizione fisica	1 online resource (10 p.)
Collana	IMF Working Papers
Altri autori (Persone)	KhamfulaYohane Anthony MlachilaMontfort
Soggetti	Debts, External - Developing countries - Econometric models Economic assistance - Developing countries - Econometric models Banks and Banking Banks Debt default Debt Management Debt Debts, External Debts, Public Depository Institutions Domestic debt Economic & financial crises & disasters Exports and Imports Finance Financial Crises Financial crises Financial Risk Management Industries: Financial Services Interest rates Interest Rates: Determination, Term Structure, and Effects International economics

International Lending and Debt Problems

Loans

Micro Finance Institutions

Mortgages

Public finance & taxation

Public Finance

Real interest rates

Sovereign Debt

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"April 2006."
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	""Contents""; ""I. INTRODUCTION""; ""II. THE MODEL""; ""III. CONCLUSION""; ""REFERENCES""
Sommario/riassunto	This paper presents a new model based on the loan-pushing model by Basu (1991) to show how a domestic debt crisis can occur in a low-income country following donor herding. The model focuses on the rational herding behavior of donors due to payoff and information externalities. Although there are many theoretical models on herding behavior, these models have not formally considered the relationship between donor herding and domestic debt crisis in a low-income country. This paper is an attempt to fill this gap. The paper shows that due to donor herding behavior a domestic debt crisis can occur once the actual debt level is above the desirable one.