

# Contents

## Part I. Overview

- |                                  |    |
|----------------------------------|----|
| 1. Introducing the Key Questions | 3  |
| 2. Objectives                    | 11 |

## Part II. Macroeconomics

- |   |     |
|---|-----|
| 3. Three Perspectives on Policy   | 37  |
| 4. Is Macroeconomics Different in Developing Countries?                   | 52  |
| 5. Policy Instruments from Three Perspectives: Fiscal and Monetary Policy | 63  |
| 6. Open Economy Complications   | 87  |
| 7. Exchange Rate Management and Micro Tools for Macro-Management          | 105 |
| 8. Policy Frameworks  | 130 |
| 9. Formal Approaches  | 150 |

## Part III. Capital Market Liberalization (CML)

- |  |     |
|--|-----|
| 10. Capital Market Liberalization: The Arguments For and Against | 167 |
| 11. A Formal Approach: Capital Market Failures                   | 188 |
| 12. Interventions in Capital Markets                             | 197 |
| 13. Capital Market Liberalization: Summary and Remaining Debates | 220 |

## Conclusion

- |   |     |
|---|-----|
| 14. Stabilization, Liberalization, and Growth | 233 |
|---|-----|

- |                   |     |
|-------------------|-----|
| <i>Notes</i>      | 247 |
| <i>References</i> | 287 |
| <i>Index</i>      | 311 |