## INDICE

PREFACE	VIII
1. introduction: THE LAUNCHING OF THE REFORMS 1	1
The Reforms. 1982-93: A Brief Overview	6
Plan of the Book	10
PART I. THE DEBT CRISIS AND Early ADJUSTMENT: 1982-87 15	
2. MUDDLING THROUGH: ADJUSTMENT FROM 1982 TO 1987 17 Was the Debt Crisis Anticipated?	18
External and Domestic Origins of the Crisis	22
The Adjustment	23
Heterodox Stabilization Attempts in the Mid-1980s	33
Fiscal Control and Incomes Policies: The Mexican Pacto	39
3. THE EMERGENCE OF A NEW LATIN AMERICAN CONSENSUS	41
Economic Thinking in Latin America: An Overview	43
Factors behind the Emerging Consensus	48
How Broad is the Emerging Consensus?	58
PART 1I. AN ERA OF ADJUSTMENT AND REFORM: 1987-93 67	67
4. MACROECONOMIC ADJUSTMENT AS A PRIORITY	69
Debt Restructuring, Debt Relief. and Macroeconomic Adjustment	71
Fiscal Policy and Macroeconomic Equilibrium	83
Exchange Rates, Inflation, and Disinflation	99
Summary and Conclusions	105
Appendix 4-1: Debt and Debt Service Reduction Agreements Appendix 4-2: Inflationary Inertia and Nominal Exchange	106 107
Rate Anchors	107
5. THE OPENING OF LATIN AMERICA	115
From Protectionism to Liberalization: Some Analytical Aspects	117
Recent Trade Liberalization Reforms in Latin Arnerica	124
and the Caribbean	
Effects of Trade Liberalization	129
Real Exchange Rate Behavior, Capital Inflows, and the Future of Trade	137
Reforms in Latin America	
Regional Trading Blocs in Latin Arnerica	142
Appendix 5-1: Productivity Growth and Openness: An Econometric Analysis	164
6. PRIVATIZATION ANO DEREGULATION	170
Privatization and Deregulation: Analytical Issues and Policy Options	171
Privatization Programs in Chile, Mexico, and Argentina	183
7- CAPITAL MARKET DEREGULATION, SAVINGS, ANO Investments	200
Financial Repression in Latin Arnerica: Historical Background	203
Financial Deregulation in Latin America: Regional Trends	208
and Selected Experiences	
Savings and Investment	224
Appendix 7-1: Financial Development and Productivity Growth	249
8. POVERTY, Income Distribution, ANO HUMAN RESOURCES	252
Poverty and Income Distribution	256
Education, Human Capital Formation, and Social Conditions	273
Labor Market Regulations in Latin Arnerica	277

Addressing the Social Agenda: Policy Options and Priorities	286
PART III. Looking TOWARO THE FUTURE	293
9. THE MEXICAN CRISIS OF 1994 ANO THE FUTURE OF THE LATIN	295
AMERICAN REFORMS	
The Mexican Peso Crisis of 1994 and Its Lessons 296	296
Latin America after Mexico	303
Conclusions	313
Appendix 9-1: The Simple Economics of Current Account Sustainability	314
Notes	319
REFERENES	331
INDEX	353