

Contents

Preface	v
I. Overview	1
II. Boom Years and Buildup of Vulnerabilities: 1992–98	4
Public Finances	4
The Structural Setting	11
Summary	22
III. Downturn and Deepening Depression: 1998–2000	23
Initial Downturn—1998	23
Deepening Depression and Policy Dilemma: 1999–2000	25
Summary	32
IV. Crisis: 2001	35
V. Aftermath: 2002	38
VI. Role of the IMF	39
VII. Conclusions	42
Lessons for Crisis Prevention and Management	43
Lessons for the IMF	44
Appendix I. Argentina's Potential Output Growth	46
Appendix II. Chronology of Key Developments in 2001–2002	48
References	52
Tables	
1. Fiscal Indicators	6
2. Public Sector Debt Dynamics	7
3. Ratings of Institutional Strength and Corruption	11
4. Programmed and Actual Fiscal Balances and Impulses, 1999–2001	27
Boxes	
1. The Argentine Crisis: A Brief Review of the Academic Literature	2
2. Argentina's Intergovernmental Relations	9
3. Trade Liberalization and Real Exchange Rate Dynamics— Evidence from Other Countries	13