

Learning, Policy Making,  
and Market Reforms

COVADONGA MESEGUER

Center for Research and Teaching in Economics (CIDE),  
Mexico City



**CAMBRIDGE**  
UNIVERSITY PRESS

## Contents

<i>List of Figures and Tables</i>	page vii
<i>List of Abbreviations</i>	x
<i>Acknowledgments</i>	xi
1 The Question	1
1.1. Governments, Market Reforms, and Learning	5
1.2. Varieties of Learning	14
1.3. Policy Convergence, Learning, and Alternative Hypotheses	22
1.4. Plan of the Book	29
2 The Model	37
2.1. Essentials	40
2.2. On Posteriors	47
2.3. Policy Choices	58
2.4. Discussion	67
2.5. Appendix	69
3 Learning and Development Strategies	73
3.1. Development Strategies: A Description and Alternative Explanations	75
3.2. Learning and Development Strategies: The Data	81
3.3. Learning and Development Strategies: The Results	89
3.4. Discussion	103
3.5. Appendix	107

4	Learning and Privatization	111
	4.1. Explaining Privatization	113
	4.2. Learning and Privatization: The Data	121
	4.3. Learning and Privatization: The Results	125
	4.4. Discussion	137
	4.5. Appendix	140
5	Learning and Capital Account Liberalization	142
	5.1. The Political Economy of Capital Account Liberalization	145
	5.2. Learning and Capital Account Liberalization: The Data	150
	5.3. Mexico: A Narrative on Learning, Financial Liberalization, and Financial Crisis	157
	5.4. Learning and Capital Account Liberalization: The Results	163
	5.5. Discussion	177
	5.6. Appendix	179
6	Learning and IMF Agreements	181
	6.1. Explaining IMF Agreements	183
	6.2. Consequences of IMF Agreements	189
	6.3. Learning and IMF Agreements: The Data	193
	6.4. Learning and IMF Agreements: The Results	196
	6.5. Discussion	208
	6.6. Appendix	210
7	Conclusions	214
	7.1. Lessons about Learning	216
	7.2. Alternative Hypotheses	226
	7.3. What Remains to Be Learned?	231
	<i>References</i>	241
	<i>Index</i>	261