Review of *From Economic Crisis to Reform: IMF Programs in Latin America and Eastern Europe,* by Grigore Pop-Eleches. Princeton: Princeton University Press, 2009.

This is a sophisticated and substantively rich book. In addition to making a significant contribution to the burgeoning sub-field of IMF studies, it serves as a rare example of multi-method research that combines formal modeling, quantitative testing and qualitative case studies. *From Economic Crisis to Reform* is informative even for a specialist and accessible even for a newcomer to the field. It makes an important contribution by integrating the international and domestic politics of IMF programs, where most existing studies either treat IMF programs as unconnected episodes in comparative political economy or ignore the domestic politics of implementation altogether. In addition, Pop-Eleches seeks to explain participation in IMF programs, the design of conditionality and implementation of conditionality within a single framework.

Some of Pop-Eleches' findings confirm earlier research: the IMF's lending decisions depend on U.S. political intervention, and both participation in IMF programs and the implementation of conditionality depend on the partisan orientation of borrowing governments. He finds, however, that these effects depend on the international context. For example, he finds that patterns of UN voting predict variations in IMF lending to Eastern Europe in the 1990s, but not to Latin America during the Cold War. On the other hand, measures of the systemic importance of international debtors played an important role in the Latin American debt crisis, but were less significant in post-Communist countries. Pop-Eleches concludes, reasonably, that this indicates that the motivations for U.S. intervention have shifted over time.

The book's most interesting finding is that the substantive significance of partisanship shifts across time and space. The debt crisis in Latin America sharpened partisan differences, leading Peru's Alan Garcia and Bolivia's Victor Paz Estenssoro to draw opposite lessons. The external origins of the crisis emboldened the left and lent domestic legitimacy to heterodox policy responses: the debt had been contracted by the previous military regimes, and the drop in commodity prices, the rise of the dollar, and the rise in dollar-denominated interest rates were driven by external events. In contrast, the collapse of Communism discredited leftist policy prescriptions in Eastern Europe, so economic crises led to policy convergence between the Right and the Left. Pop-Eleches captures these differences quantitatively by interacting partisanship with various measures of crisis intensity and running his analyses separately for the Latin American and East European cases. In Eastern Europe, the differences between Left and Right governments become insignificant as the crisis intensifies; in Latin America, in contrast, Right governments become significantly more likely to turn to the IMF when the crisis intensifies, but Left governments do not, so crises cause policies to diverge.

The combination of diverse methods reinforces the book's key findings, although the disparate elements do not always line up neatly. For example, although the book finds weak quantitative evidence of U.S. geopolitical intervention in Latin America during the Cold War, the case studies suggest that this intervention was active. "The sad irony of the Fund's treatment of Chile and Peru in the spring of 1984," Pop-Eleches writes, "is that the IMF appears to have been more concerned with political feasibility in the case of Pinochet's military dictatorship than with Peru's fledgling democracy" (122). One suspects that the reason for this is that Pinochet was a Cold War ally of the United

States, and Garcia was not. Similarly, the case study of Bolivia emphasizes that Bolivia played an important role in U.S. policy because it cooperated with U.S. efforts to reduce the supply of coca. The divergence between the cases and the quantitative results may suggest that UN voting is not a sufficiently sensitive measure of U.S. interests to capture the motivations behind U.S. manipulation of IMF policies in Latin America.

The model is consistent with the main empirical findings, but it does not provide microfoundations for a conflict of interest between the IMF and the borrowing government about economic reform. Although the model treats conditionality as an endogenous choice variable, the author's equilibrium solution treats it as an exogenous parameter. Thus, a conflict of interest over conditionality targets is assumed, rather than allowed to arise endogenously. In fact, given the parameters of the model, the IMF would choose the same target as the government if it were allowed to choose an optimal target for economic reform. This is unfortunate, since the conflict of interest between the IMF and the government is an important focus of the author's argument and plays a central role in the case studies.

From Economic Crisis to Reform joins a rapidly growing political science literature on the IMF, so some comparisons may be helpful. Steinwand and Stone (2008) provide an overview of much of this work. Pop-Eleches uses his case studies as substantive illustrations of his quantitative results, moving lightly over a number of cases and relying on secondary sources. Two other recent contributions to the politics of IMF programs have similarly combined qualitative and quantitative research strategies, but have been based on substantial archival research at the IMF. Erica Gould's *Money Talks* (2006) emphasizes the role of supplementary financiers in shaping conditionality, and Mark Copelovitch's forthcoming *Banks, Bonds and Bailouts* focuses on variations in the coherence of G-5 interests and in the forms of private financing to explain conditionality and the size of IMF loans. Jeffrey Chwieroth's forthcoming *A Capital Idea* similarly makes use of rich historical material from the IMF archives, but addresses the role of the Staff in shaping IMF policy advice about liberalizing capital controls. Pop-Eleches' signal contribution to this literature is a synthetic perspective, which brings together international credibility and domestic partisanship and draws important distinctions between regions and time periods.

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