Appendix B
Table of Symbols

Symbol | Interpretation
---|---
\(B_i\) | bias of the regime at time \(t\)
\(E_i\) | parity at time \(t\); i.e., the number of units of local currency per unit of foreign exchange at the official exchange rate (also called the nominal exchange rate)
\(EER_{it}\) | effective exchange rate for the \(i\)th transaction category at time \(t\)
\(M_j(t)\) | money supply of the \(j\)th country at time \(t\)
\(n_{it}\) | value of all surcharges against imports of commodity \(i\) per dollar c.i.f. expressed as a percentage of the c.i.f. price
\(P_j(t)\) | price level of the \(j\)th country at time \(t\)
\(PR_m\) | premium on an import license for the \(i\)th commodity at time \(t\)
\(P_d\) | domestic price of the \(i\)th commodity
\(q_{it}\) | foreign price of the \(i\)th commodity expressed in foreign currency
\(r_{it}\) | value of export-encouragement schemes, other than outright subsidies, per dollar of exports f.o.b. of the \(i\)th export category expressed as a percent of the f.o.b. price
\(S_{it}\) | \(1 + s_{it} + r_{it}\)
\(s_{it}\) | subsidy (or tax, in which case \(s_{it}\) is negative) per dollar of exports f.o.b. of the \(i\)th commodity, expressed as a percentage of the f.o.b. price.
\(T_{it}\) | \(1 + n_{it} + t_{it}\)
\(t_{it}\) | the ad valorem tariff on the \(i\)th commodity
\(X_i(t)\) | \(i\)th country’s dollar export earnings of traditional or nontraditional exports at time \(t\)
\(XEER_i(t)\) | the PLD-EER for exports (of traditional and nontraditional commodities separately) for the \(i\)th country

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1 + s_{it} + r_{it}

s_{it}

subsidy (or tax, in which case s_{it} is negative) per dollar of exports f.o.b. of the i th commodity, expressed as a percent of the f.o.b. price.

1 + n_{it} + t_{it}

t_{it}
the ad valorem tariff on the i th commodity

X_i(t)

i th country’s dollar export earnings of traditional or nontraditional exports at time t

XEER_i(t)
the PLD-EER for exports (of traditional and nontraditional commodities separately) for the i th country