

Keynes and Wagner on government expenditures and economic development: the case of a developing economy

Muthi Samudram · Mahendhiran Nair ·
Santha Vaithilingam

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Unfortunately, there was an omission in the first sentence of the Introduction. The correct sentence should read as:

1 Introduction

Over the last two decades, many of the developing countries have experienced structural adjustment problems, *which impeded their economic growth prospects. These countries sought financial assistance from the World Bank and the International Monetary Fund (IMF) to restructure their national expenditures* and improve their revenue positions. An important aspect of the adjustment process for these countries is the need to focus on fiscal adjustments and restructuring of the public sector. It has generally been accepted that structural imbalances were the result of high fiscal deficits. The problem was further compounded by an expanding and inefficient public sector. Due to the linkage between fiscal deficits and economic performance in the developing world, the growth of public expenditures as a proportion of GNP has received considerable attention from economists (Gupta 1967; Rubinson 1977; Landau 1983).

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M. Samudram (✉) · M. Nair · S. Vaithilingam
School of Business, Monash University, Sunway Campus,
Jalan Lagoon Selatan, 46150 Bandar Sunway, Selangor Darul Ehsan, Malaysia
e-mail: Muthi.samudram@buseco.monash.edu.my

M. Nair
e-mail: Mahendhiran.nair@buseco.monash.edu.my

S. Vaithilingam
e-mail: Santha.vaithilingam@buseco.monash.edu.my