

Assessment

The author's methodology for discovering the hidden part of the public debt or the size of the underestimation in the public debt is impressive. I went through the equations rapidly and I did not perceive any inconsistency. I would like to add also in this respect that I know the mathematical talents of the author as well as his expertise on public debt issues since I have been one of the jury members of his PhD dissertation.

As I am not an expert on public fiscal accounts and I am not familiar with the related literature I cannot assess the eventual contribution of the author to this literature. That said, the author unveils interesting facts regarding the Turkish Public debt in troubled times. However, I have some remarks about the conclusion of the author which seems rather too straightforward and too ambitious. The author demonstrates that there was a hidden part of the public debt and the consequent underestimation misled IMF in setting the primary surplus target for the Stabilization program by the end of 1999. I quote the author: "In contrast with the literature we show that "accurate" public debt stock through 90's was **significantly greater** than "announced" debt stock... The lacking information **might have** caused the IMF forecast errors, affecting planned fiscal consolidation at the outset of the crisis and **might have been an important reason for the failure of the actions taken by the IMF**, a fact later emphasized by Blanchard and Leigh (2013).

The author asserts that the hidden part of the public debt has been significantly high ("accurate debt stock being "significantly greater" than announced debt stock). However, this assertion has not been proved through admitted norms or international comparisons. In Figure 1 I did not perceive a sizable hidden debt. If I well understood it is question of 7 percent under estimation of the primary surplus aiming to stabilize the public debt. This is not too much. Anyway, this part needs more clarity. The reader would like to know what the estimated share of the hidden debt is in total debt and what should have been the required primary surplus in accordance.

I do not think that a primary surplus set at an insufficient level would have been the major cause of the failure of the IMF program. Other important factors like an overvaluation of the Turkish Lira because of a higher inflation than forecasted within the frame work of quasi fixed exchange rate regime and the refusal of some ministers about the privatizations which were constituting an important source of income for the budget balance played also important roles in this failure.