

Table IV.1. Comparison of Coefficients from Nested Models and Ordinary Least Squares to Estimate the Relative Weights of Strength and Vulnerability Variables

Dependent Variable: Q	Strength Variables				Vulnerability Variables	
	Y	RM	C	NNKFL	VC	POP
Nested model where a regression of a vulnerability variable is estimated first 1/	0.00253	-0.00510	0.00578	0.03311	0.68187	1.27053
Nested model where a regression of strength variables is estimated first 1/	0.00192	0.00381	0.01271	0.03638	0.54445	2.22456
Ordinary Least Squares	0.00258	-0.01370	0.00905	0.03458	0.61920	2.41307

Q is the actual quota; Y is GDP in a recent year (1994); RM is average monthly reserves with gold valued at market prices in a recent year (1994); C is the annual average current receipts over a recent five-year period (1990-94); NNKFL is the four-year moving average of net private capital flows (1991-94). VC is the variability of current receipts, defined as one standard deviation from a five-year moving average over a recent 13-year period (1982-1994); POP is population in 1994.

1/ Coefficients shown have been multiplied by the estimated relative weights, for the strength and vulnerability variables, i.e., they represent the "net" effect of the variable on the estimated quota.