



RIDGE / BANCO CENTRAL DEL URUGUAY

WORKSHOP ON INTERNATIONAL MACRO

2018 RIDGE DECEMBER FORUM

Montevideo, Uruguay / December 6-7, 2018

Preliminary Program

Conference venue: Banco Central del Uruguay, located at Diagonal Fabini 777, Montevideo

Scientific Committee

Javier Bianchi (Federal Reserve Bank of Minneapolis)

Ana Fostel (University of Virginia)

Gerardo Licandro (Banco Central del Uruguay)

Pablo Andrés Neumeyer (U. Torcuato di Tella)

Keynote Speaker

Giancarlo Corsetti (University of Cambridge)

The Financial and Stability Development ([FSD](#)) Network of the IDB is

co-organizer of the policy panel



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WORKSHOP PROGRAM

DECEMBER, Thursday 6th.

8:45 Registration

Session 1 – Sovereign debt Restructuring

9:00 – 10:30 Chair: **Javier Bianchi**, Federal Reserve Bank of Minneapolis

- **Life after default: Private vs. official sovereign debt restructurings**

Silvia Marchesi, University of Milano Bicocca (co-author: Tania Masi)

- **Sovereign Debt Restructurings**

Maximiliano Dvorkin, Federal Reserve Bank of St. Louis (co-authors: Juan M. Sánchez, Horacio Saprizza and Emircan Yurdagul)

10:30 – 11:00 Coffee Break

Session 2 – Sovereign Risk

11:00 – 12:30 Chair: **Leonardo Vicente**, Banco Central del Uruguay

- **Constrained efficient borrowing with sovereign default risk**

Juan Carlos Hatchondo, Indiana University (co-authors: Leonardo Martinez and Francisco Roch)

- **Inflation Targeting under Fiscal Fragility**

Rafael Santos, Fundação Getulio Vargas (co-authors: Aloísio Araujo and Paulo de Carvalho Lins)

12:30 – 14:00 Lunch

Session 3 – Recessions and Trade Policies

14:00 – 15:30 Chair: **Guzmán Ourens**, CentER-Tilburg University

- **Understanding Persistent Stagnation**

Pablo Cuba-Borda, Federal Reserve Board (co-author: Sanjay R. Singh)

- **Protectionism and the Business Cycle**

Matteo Cacciatore, HEC Montréal and NBER (co-authors: Alessandro Barattieri and Fabio Ghironi)

15:30 – 16:00 Coffee Break

16:00 – 17:30

Capital flows, monetary and macroprudential policies, exchange rates, international reserve accumulation, sovereign debt and international spillovers

(Co-organized with the Financial Stability and Development Network of the IDB)

Participants:

- **Alberto Graña (Chair)**, Banco Central del Uruguay
- **Giancarlo Corsetti**, University of Cambridge
- **Nicolas Ernesto Magud**, International Monetary Fund
- **Adrián Armas**, Banco Central de Reserva del Perú

DECEMBER, Friday 7th.

Plenary Talk

9:30 – 10:30

• **External and internal devaluation: lessons from the crisis**

Giancarlo Corsetti, University of Cambridge

10:30 – 11:00

Coffee Break

Session 4 – Monetary Policy

11:00 – 12:30

Chair: **José Mourelle**, Banco Central del Uruguay

• **Vehicle Currency Pricing and Exchange Rate Pass-Through**

Wanyu Chung, University of Birmingham and University of Nottingham (co-authors: Natalie Chen and Dennis Novy)

• **Financial Crises, Bailouts and Monetary Policy in Open Economies**

Yang Jiao, Dartmouth College

12:30 – 14:00

Lunch

Session 5 – Global financial cycle, Fiscal and Monetary Policies

14:00 – 14:45

Chair: **Pablo Neumeyer**, U. Torcuato di Tella

• **How ETFs Amplify the Global Financial Cycle in Emerging Markets**

Eduardo Levy-Yeyati, Universidad Torcuato di Tella (co-authors: Nathan Converse and Tomas Williams)

14:45 – 15:00

Coffee Break

Session 6 – Intergenerational tax and transfer system / Interest rates uncertainty

15:00 – 16:30

Chair: **Gerardo Licandro**, Banco Central del Uruguay

• **The economic incentives of the intergenerational tax and transfer system**

Florencia Amábile, Departamento de Economía, FCS-UdelaR (co-author: Rómulo Chumacero)

• **Interest Rate Uncertainty as a Policy Tool**

Galip Kemal Ozhan, University of St Andrews (co-author: Fabio Ghironi)

Policy Panel

Capital flows, monetary and macroprudential policies, exchange rates, international reserve accumulation, sovereign debt, international spillovers

A variety of macroeconomic policies are available for emerging markets to reduce vulnerabilities and deal with instabilities in international financial markets and international business cycles. Conventional monetary policy, foreign exchange intervention and macroprudential policies appear to be the most widely used. What are the trade-offs of using each set of policies? Are these policies complements or substitutes? Under what conditions, do some policies dominate? How does the use of these policies depend on country characteristics like fiscal space and the health of the financial sector? How prepared are emerging markets to deal with increases in US interest rates? Should central banks let their currencies depreciate or try to stabilize them?

Participants:



Giancarlo Corsetti is Professor of Macroeconomics at Cambridge University, fellow of Clare College and director of the Cambridge INET Institute. He previously held the Pierre Werner Chair at the European University Institute in Florence, and taught at the Universities of Rome III, Yale and Bologna. He holds a Ph.D. in Economics from Yale. He is a leading scholar in international economics and open macro with pioneering contributions on currency, financial and sovereign crises, monetary and fiscal policy in open economy, and the international transmission and global imbalances. He has been a long-serving co-editor of the Journal of International Economics.

He is a consultant at the European Central Bank, Bank of International Settlement and the Bank of England and a regular visiting professor in central banks and international institutions. He is research fellow of the Centre for Economic Policy Research, where he served as co-director of the International Macroeconomic Programme between 2004 and 2015. He is a member the European Economic Association, where he served as a member of the council, and Program Chairman of the 2007 Annual Congress in Budapest.



Nicolás E. Magud is a Senior Economist in the Institute for Capacity Development at the IMF. He previously worked on Latin American countries and the Regional Studies Division in the Western Hemisphere Department at the IMF. Before that, he was a professor of international finance at the University of Oregon; associate professor at the University of Buenos Aires; a teaching assistant at the University Torcuato Di Tella in Argentina; visiting professor at CEMA; advisor to the Cabinet Secretariat and the Secretariat of Small and Medium-Sized Enterprises in Argentina; and an analyst at Citibank and at the Ministry of Economy of Argentina.

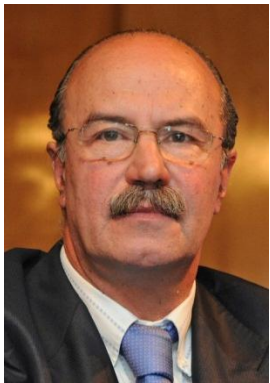
His research focuses on open economy macroeconomics, with an emphasis on exchange rates, capital flows, capital controls, credit booms, and fiscal policy. He has also worked on topics in international trade and income distribution. He holds a PhD and an MA from the University of Maryland, an MA from the University Torcuato Di Tella, and a licensure from the University of Buenos Aires.



Adrián Armas is the Chief Economist of the Central Bank of Peru since 2005, except between December 2017 and October 2018 where he was the Executive Director for Argentina, Bolivia, Chile, Paraguay, Peru and Uruguay at the IMF Board.

He has spent almost his entire career (since 1986) at the Central Bank of Peru. Previously he was the Head of the Monetary Policy Division (1997-2005) and the Chief of the Financial Programming section (1995-1997) at the Central Bank. He helped lead the design and implementation of Peru's inflation targeting scheme and has written articles on this subject and others related to Central Banking for the IMF, BIS, the Journal LACEA and several Central Banks. He has participated in IMF Technical Assistance missions as MCM Advisor between 2007 and 2017.

He taught Econometrics, International Economics, Macroeconomics and Monetary Theory at several universities in Peru. He holds a M.A. in Political Economy from Boston University (1992).



Alberto Graña is an economist, graduated at the University of Lund, Sweden. He is a Professor of Macroeconomics and Public Finances at the School of Economics of the Universidad de la República in Montevideo.

He is President of the Banco Central del Uruguay since November 2018. He also held this position before during the period January 2014 and April 2015. Since 2006 he stood as manager of the Economic Policy and Markets Division at the Central Bank of Uruguay. This division is responsible for the design and implementation of monetary policy, the management of the assets and liabilities of the Central Bank and the regulation and supervision of the payments systems. Prior to that, he had a distinguished career in the same institution.

Alberto is a member of the Public Debt Coordination Committee composed by the Banco Central del Uruguay and the Ministry of Economy and Finance.