

2021 RIDGE VIRTUAL FORUM WORKSHOP ON INTERNATIONAL MACRO

2021 RIDGE DECEMBER VIRTUAL FORUM

Montevideo, Uruguay / December 6-7, 2021

Scientific Committee

Ana Fostel (University of Virginia)
Gerardo Licandro (Banco Central del Uruguay)
Pablo Andrés Neumeyer (U. Torcuato di Tella)
Juan Pablo Nicolini (Federal Reserve Bank of Minneapolis)
Diego Perez (New York University)
Ivan Werning (MIT)

Keynote Speaker

Valerie Ramey
(University of California, San Diego)

REGISTRATION

The Financial Stability and Development (FSD) Network of the IDB is
co-organizer of the Workshop

WORKSHOP PROGRAM

NOTICE: All times are local in Montevideo, Uruguay (UTC -3)

DECEMBER, Monday 6th

10:45 – 11:00 Welcome

Session 1

11:00 – 12:30 Chair: **Ivan Werning**

- **Five facts about the UIP Premium**
Şebnem Kalemli-Özcan, Liliana Varela
- **The People vs the Markets: A Parsimonious Model of Inflation Expectations**
Ricardo Reis

12:30 – 13:00 Virtual Coffee Break

Policy Discussion Session

13:00 – 14:00 Chair: **Azucena Arbeleche**

- **Global inflation, monetary policy and spillovers on EM**
Carmen Reinhart

Session 2

14:00 – 15:30 Chair: **Gerardo Licandro**

- **The end of privilege: a reexamination of the net foreign asset position of the United States**
Andrew Atkeson, Jonathan Heathcote, Fabrizio Perri
- **Are collateral-constraint models ready for macroprudential policy design?**
Pablo Ottonello, Diego J. Pérez, Paolo Varraso

Session 3

11:00 – 12:30

Chair: **Diego Pérez**

- **Mussa Puzzle Redux**

Oleg Itskhoki, Dmitry Mukhin

- **Exchange rates and Monetary policy with heterogeneous agents: sizing up the real income channel**

Adrien Auclert, Matthew Rognlie, Martin Souchier, Ludwing Straub

12:30 – 13:00

Virtual Coffee Break

Keynote Speaker

13:00 – 14:00

Chair: **Ana Fostel**

- **The Importance of Anticipation in Macroeconomics**

Ramey, Valerie

Keynote Speaker



Valerie A. Ramey

Professor, Department of Economics, University of California, San Diego

Valerie Ramey received her B.A. with a double major in Economics and Spanish from the University of Arizona, graduating summa cum laude. She went on to earn a Ph.D. in Economics from Stanford University. She is currently a Distinguished Professor of Economics at the University of California, San Diego and a Research Associate of the National Bureau of Economic Research. She is a member of the American Academy of Arts and Sciences and a Fellow of the Econometric Society.

She has served as co-editor of the American Economic Review, chair of the Economics Department at UCSD, and as a member of several National Science Foundation Advisory Panels and the Federal Economic Statistics Advisory Committee. She currently serves on the Panel of Economic Advisers for the Congressional Budget Office and on the NBER Business Cycle Dating Committee, and she is an associate editor of the Quarterly Journal of Economics and a co-editor of the NBER Macro Annual.

Professor Ramey has published numerous scholarly articles and policy-relevant articles on the sources of business cycles, trends in wage inequality, the effects of monetary and fiscal policy, the impact of volatility on growth, and various topics on time use, such as the increase in time investments in children by educated parents. Her recent work has studied the size of government spending multipliers as well as the short-run and long-run effects of infrastructure investment. She has received research grants from the National Science Foundation, the Alfred P. Sloan Foundation, and the Bradley Foundation.

Policy Discussion

Participants:



Azucena Arbeleche is currently and since March 2020 Uruguay's Finance Minister. She has a degree in Economics from the Faculty of Economic Sciences of the University of the Republic and a Master in Macroeconomics from the Pontificia Universidad Católica de Chile. Since 2014 she has been an advisor to Dr. Luis Lacalle Pou, a member of the Board of Directors of the Centro de Estudios del Partido Nacional and a consultant in the private sector. Director of the Debt Management Unit, Ministry of Economy (2011-2014). Advisor in the Debt Management Unit, Ministry of the Economy (2005-2010). Macroeconomic and Financial Advisory Advisor, Ministry of Economy (2001-2004). Senior Researcher at

the Center for Economic and Financial Research, Chile (1998-2000). Professor of the International Situation Seminar, University of Montevideo (2008-2010); Macroeconomics, University of Montevideo (2001-2006); Macroeconomics, Universidad Andrés Bello, Chile (1999-2000); International Economics, Pontificia Universidad Católica de Chile (1998-1999); Economics, Catholic University of Uruguay (1996); Economics II, University of the Republic (1993-1996).



Carmen M. Reinhart is the Senior Vice President and Chief Economist of the World Bank Group. Assuming this role on June 15, 2020, Reinhart provides thought leadership for the institution at an unprecedented time of crisis. She also manages the Bank's Development Economics Department. Reinhart's areas of expertise are in international finance, and macroeconomics. Her work has helped to inform the understanding of financial crises in both advanced economies and emerging markets. She has published extensively on capital flows, exchange rate policy, banking and sovereign debt crises, and contagion. She comes to this position on public service leave from Harvard Kennedy School where she is the Minos A. Zombanakis Professor of the International

Financial System. Previously, she was the Dennis Weatherstone Senior Fellow at the Peterson Institute for International Economics and Professor of Economics and Director of the Center for International Economics at the University of Maryland. During her career, Reinhart has worked in numerous roles to address policy challenges including most recently, the coronavirus pandemic and its economic impact. She serves in the Advisory Panels of the Federal Reserve Bank of New York and the International Monetary Fund. Earlier, she was the Senior Policy Advisor and Deputy Director of the Research Department at the International Monetary Fund and held positions as Chief Economist and Vice President at the investment bank Bear Stearns. Ranked among the top Economists worldwide based on publications and scholarly citations, Reinhart has been listed among Bloomberg Markets Most Influential 50 in Finance, Foreign Policy's Top 100 Global Thinkers, and Thomson Reuters' The World's Most Influential Scientific Minds. In 2018 she was awarded the King Juan Carlos Prize in Economics and NABE's Adam Smith Award, among others. Her book (with Kenneth S. Rogoff) entitled *This Time is Different: Eight Centuries of Financial Folly* has been translated to over 20 languages and won the Paul A. Samuelson Award. She holds a Ph.D. from Columbia University.