

International Macroeconomics in Emerging Market Countries

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Clases: 15, 16, 17, 22, 23 de Marzo, 9:00am-12:30pm– Examen: take-home

Contenidos: Se discutirán avances recientes en el área de macroeconomía abierta, poniendo especial énfasis en algunas características particulares de economías emergentes. El enfoque será tanto teórico como práctico. El objetivo es que a la finalización del curso los estudiantes sean capaces de formular, resolver, e interpretar satisfactoriamente modelos simples de macroeconomía abierta.

Referencias:

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1. Business cycles: real factors (6 hs)

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- Finn E. Kydland & Carlos E.J.M. Zarazaga, 1997. "[Is the business cycle of Argentina "different?"](#)," [Economic and Financial Policy Review](#), Federal Reserve Bank of Dallas, issue Q IV, pages 21-36.
- Adolfo Sturzenegger & Ramiro Moya, 2003. "[Economic Cycles](#)," In G. Della Paolera and A. Taylor editors, A New Economic History of Argentina, Cambridge University Press

A. Productivity shocks

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- Finn E. Kydland & Carlos E.J.M. Zarazaga, 2003. "[Argentina's lost decade and subsequent recovery: hits and misses of the neoclassical growth model](#)," [Center for Latin America Working Papers](#) 0403, Fed. Res. Bank of Dallas.
- Mark Aguiar, & Gita Gopinath, 2007. "[Emerging Market Business Cycles: The Cycle Is the Trend](#)," [Journal of Political Economy](#), University of Chicago Press, vol. 115, pages 69-102.
- Javier García-Cicco & Roberto Pancrazi & Martín Uribe, 2006. "[Real Business Cycles in Emerging Countries?](#)," [NBER Working Papers](#) 12629, NBER, Inc.

B. Interest rate shocks

- Pablo A. Neumeyer & Fabrizio Perri, 2005. "[Business cycles in emerging economies: the role of interest rates](#)," [Journal of Monetary Economics](#), Elsevier, vol. 52(2), pages 345-380, March.
- Martín Uribe & Vivian Yue, 2004. "[Country spreads and emerging countries: who drives whom?](#)," [Proceedings](#), Federal Reserve Bank of San Francisco, issue Jun.

C. Terms of trade shocks

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- Ayhan Kose, 2002. "[Explaining business cycles in small open economies: 'How much do world prices matter?'](#)," [Journal of International Economics](#), Elsevier, vol. 56(2), pages 299-327, March.

2. Business cycles: nominal frictions (3 hs)

A. Sticky prices

- JG Ch. 3, 7 - LM Ch. 3, 5.
- Jordi Galí & Tommaso Monacelli, 2005. "[Monetary Policy and Exchange Rate Volatility in a Small Open Economy](#)," [Review of Economic Studies](#), Blackwell Publishing, vol. 72(3), pages 707-734, 07.
- Juan Pablo Medina & Claudio Soto, 2007. "[The Chilean Business Cycles Through the Lens of a Stochastic General Equilibrium Model](#)," [Working Papers Central Bank of Chile](#) 457, Central Bank of Chile.

B. Sticky wages

- JG Ch. 6 – LM Ch. 9.
- Christopher Erceg & Christopher Gust & David López-Salido, 2007. "[The Transmission of Domestic Shocks in Open Economies](#)," [NBER Chapters](#), in: International Dimensions of Monetary Policy NBER, Inc.

C. Incomplete Pass-through

- Monacelli, Tommaso, 2003. "[Monetary Policy in a Low Pass-through Environment](#)," IGIER Working Paper No. 228; ECB Working Paper No. 227.

3. Financial frictions (5 hs)

A. Balance-sheet effects

- LM Ch. 8.
- Luis Felipe Céspedes & Roberto Chang & Andres Velasco, 2000. "[Balance Sheets and Exchange Rate Policy](#)," [NBER Working Papers](#) 7840, NBER, Inc.
- Ivan Tchakarov & Selim Elekdag, 2004. "[Balance Sheets, Exchange Rate Policy, and Welfare](#)," [IMF Working Papers](#) 04/63, International Monetary Fund.

B. Currency substitution

- Pablo Guidotti & Carlos A. Rodríguez, 1992. "[Dollarization in Latin America: Gresham's Law in Reverse?](#)," [CEMA Working Papers: Serie Documentos de Trabajo](#). 81, Universidad del CEMA.
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C. Imperfect enforceability

- Bulow, Jeremy & Rogoff, Kenneth, 1989. "[Sovereign Debt: Is to Forgive to Forget?](#)," [American Economic Review](#), American Economic Association, vol. 79(1), pages 43-50, March.
- Cristina Arellano, 2008. "[Default Risk and Income Fluctuations in Emerging Economies](#)," [American Economic Review](#), American Economic Association, vol. 98(3), pages 690-712, June.

4. Stabilization policies (4 hs)

A. Monetary policy

- Guillermo A. Calvo, 2006. "[Monetary Policy Challenges in Emerging Markets: Sudden Stop, Liability Dollarization, and Lender of Last Resort](#)," [NBER Working Papers](#) 12788, NBER, Inc.
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- Nicoletta Batini & Paul Levine & Joseph Pearlman, 2007. "[Monetary Rules in Emerging Economies with Financial Market Imperfections](#)," [Department of Economics Discussion Papers](#) 0807, University of Surrey.

B. Fiscal policy

- Martin Uribe, 2002. "[A Fiscal Theory of Sovereign Risk](#)," [NBER Working Papers](#) 9221, NBER, Inc.
- Ethan Ilzetzki & Carlos A. Vegh, 2008. "[Procyclical Fiscal Policy in Developing Countries: Truth or Fiction?](#)," [NBER Working Papers](#) 14191, National Bureau of Economic Research, Inc.
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