

New Publications from the Western Hemisphere Department, January 2010–August 2011

1. IMF Working Papers

WP/11/199 – Shocks, Financial Dependence, and Efficiency: Evidence from U.S. and Canadian Industries, by Marcello Estevão and Tiago Severo.

WP/11/197 – External Adjustment and the Global Crisis, by Philip R. Lane and Gian Maria Milesi-Ferretti.

WP/11/191 – Home Sweet Home: Government's Role in Reaching the American Dream, by Evridiki Tsounta.

WP/11/165 – Foreign Exchange Intervention: A Shield against Appreciation Winds? by Gustavo Adler and Camilo E. Tovar.

WP/11/159 – Policy Instruments to Lean against the Wind in Latin America, by Gilbert Terrier, Rodrigo O. Valdés, Camilo E. Tovar Mora, Jorge A. Chan Lau, Carlos Fernandez Valdovinos, Mercedes Garcia-Escribano, Carlos I. Medeiros, Man-Keung Tang, Mercedes Vera Martin, and W. Christopher Walker.

WP/11/157 – The Dynamic Implications of Debt Relief for Low-Income Countries, by Alma Lucia Romero-Barrutieta, Ales Bulir, and Jose Daniel Rodriguez-Delgado.

WP/11/105 – Has the Great Recession Raised U.S. Structural Unemployment? by Marcello M. Estevão and Evridiki Tsounta.

WP/11/92 – International Mutual Funds, Capital Flow Volatility, and Contagion—A Survey, by Gaston Gelos.

WP/11/84 – The Dynamics of the Term Structure of Interest Rates in the United States in Light of the Financial Crisis of 2007–10, by Carlos I. Medeiros and Marco Rodriguez Waldo.

WP/11/72 – An Analysis of U.S. Fiscal and Generational Imbalances: Who Will Pay and How? by Nicoletta Batini, Giovanni Callegari, and Julia Guerreiro.

WP/11/58 – Creditless Recoveries, by Abdul Abiad, Giovanni Dell'Ariccia, and Bin (Grace) Li.

WP/11/44 – Sovereign Credit Ratings and Spreads in Emerging Markets: Does Investment Grade Matter?, by Michelle Tejada and Laura Jaramillo.

WP/11/32 – Recession and Policy Transmission to Latin American Tourism: Does Expanded Travel to Cuba Offset Crisis Spillovers? by Andrew M. Wolfe and Rafael Romeu.

WP/11/17 – Strengthening Chile's Rule-Based Fiscal Framework, by Teresa Dabán-Sánchez.

WP/11/14 – Interpreting Currency Movements during the Crisis: What's the Role of Interest Rate Differences? by Thomas Dowling and Nicoletta Batini.

WP/11/10 – What Is Driving Financial De-dollarization in Latin America? by Mercedes Garcia-Escribano and Sebastián Sosa.

WP/11/2 – The Chilean Output Gap, by Nicolas E. Magud and Leandro Medina.

WP/10/292 – Weathering the Global Storm: The Benefits of Monetary Policy Reform in the LA5 Countries, by Jorge Iván Canales Kriljenko, Luis Ignacio Jácome, Ali Alichí, and Ivan Luis de Oliveira Lima.

WP/10/279 – A Note on Terms of Trade Shocks and the Wage Gag, by David O. Coble Fernandez and Nicolas E. Magud.

WP/10/271 – When and Why Worry about Real Exchange Rate Appreciation? The Missing Link between Dutch Disease and Growth, by Nicolas E. Magud and Sebastián Sosa.

WP/10/248 – Structural Breaks in Fiscal Performance: Did Fiscal Responsibility Laws Have Anything to Do with Them? by Carlos Caceres, Ana Corbacho, and Leandro Medina.

WP/10/241 – On the Distributive Effects of Terms of Trade Shocks: The Role of Non-tradable Goods, by Sebastian Galiani, Daniel Heymann, and Nicolas E. Magud.

WP/10/192 – The Dynamic Effects of Commodity Prices on Fiscal Performance in Latin America, by Leandro Medina.

WP/10/169 – Peru: Drivers of De-dollarization, by Mercedes Garcia-Escribano.

WP/10/168 – Does Procyclical Fiscal Policy Reinforce Incentives to Dollarize Sovereign Debt? by Anastasia Guscina, Anna Ilyina, and Herman Kamil.

WP/10/117 – Determinants of Investment Grade Status in Emerging Markets, by Laura Jaramillo.

WP/10/108 – The Global Financial Crisis and Its Impact on the Chilean Banking System, by Jorge A. Chan-Lau.

WP/10/107 – Balance Sheet Network Analysis of Too-Connected-to-Fail Risk in Global and Domestic Banking Systems, by Jorge A. Chan-Lau.

WP/10/102 – The Global Credit Crunch and Foreign Banks' Lending to Emerging Markets: Why Did Latin America Fare Better? by Herman Kamil and Kulwant Rai.

WP/10/98 – Regulatory Capital Charges for Too-Connected-to-Fail Institutions: A Practical Proposal, by Jorge A. Chan-Lau.

WP/10/86 – The Embodiment of Intangible Investment Goods: A Q-Theory Approach, by Nazim Belhocine.

WP/10/62 – The U.S. Federal Debt Outlook: Reading the Tea Leaves, by Oya Celasun and Geoffrey Keim.

WP/10/60 – The Influence of “Big Brothers”: How Important Are Regional Factors for Uruguay? by Sebastián Sosa.

WP/10/59 – Caribbean Bananas: The Macroeconomic Impact of Trade Preference Erosion, by Paul Cashin, Cleary Haines, and Montfort Mlachila.

WP/10/54 – Precautionary Reserves: An Application to Bolivia, by Fabian Valencia.

WP/10/43 – Current Account Balance Estimates for Emerging Market Economies, by Leandro Medina, Jordi Prat, and Alun Thomas.

WP/10/42 – Informal Labour and Credit Markets: A Survey, by Nicoletta Batini, Young-Bae Kim, Paul Levine, and Emanuela Lotti.

WP/10/35 – Spillovers to Central America in Light of the Crisis: What a Difference a Year Makes, by Andrew Swiston.

WP/10/23 – Financial Shocks and TFP Growth, by Marcello Estevão and Tiago Severo.

WP/10/13 – Canada's Potential Growth: Another Victim of the Crisis? by Marcello Estevão and Evridiki Tsounta.

WP/10/5 – The Impact of the Global Crisis on Canada: What Do Macro-financial Linkages Tell Us? by Rupa Duttagupta and Natalia Barrera.

WP/10/3 – Investment by Large Firms in Argentina, by Alvaro Piris.

WP/10/2 – Public Debt Sustainability and Management in a Compound Option Framework, by Jorge A. Chan-Lau and Andre Santos.

WP/10/1 – Post-crisis Bank Behavior: Lessons from Mercosur, by Sarah Sanya and Montfort Mlachila.

2. Selected Issues Papers

Barbados

- *Growth Dynamics*, by Gamal El-Masry and Lulu Shui.
- *External Stability*, by John Ralyea.
- *Barbados' Financial System in the Aftermath of the Global Crisis*, by Carla Macario.

Bolivia

- *Hydrocarbon Revenue Sharing Arrangements*, by Fabian Bornhorst.
- *Precautionary Reserves: An Application to Bolivia*, by Fabian Valencia.

Canada

- *The Post-crisis Canadian Housing Market*, by Evridiki Tsounta.
- *Interpreting Canada's Currency Movements during the Crisis*, by Nicoletta Batini and Thomas Dowling.
- *Canada's Potential Growth: A Post-crisis Assessment*, by Evridiki Tsounta.
- *The Bumpy Road Ahead for North American Automakers*, by Nicoletta Batini, Grace Bin Li, and John Dowling.
- *Canada's Housing Finance System: Policy Backdrop*, by John Kiff.
- *Canadian Banks and the Credit Turmoil*, by Lev Ratnovski and Rocco Huang.
- *Canadian Residential Mortgage Markets: Boring But Effective?* by John Kiff.
- *How Do Commodity Prices Affect Economic Slumps in Commodity Exporters?* by Rupa Duttagupta.
- *Is the Canadian Housing Market Overvalued? A Tale of Two Regions*, by Evridiki Tsounta.
- *The Impact of Global Shocks on Canada—What Do Macro-financial Linkages Tell Us?* by Rupa Duttagupta and Natalia Barrera.

Caribbean

- *Growth in the ECCU: What Went Wrong and Can It Be Fixed?* by Nita Thacker, Sebastian Acevedo, Joong Shik Kang, Roberto Perrelli, and Melesse Tashu.
- *Public Debt in ECCU Countries*, by Arnold McIntyre and Sumiko Ogawa.
- *Rationalizing Public Expenditure in the ECCU*, by Shamsuddin Tareq, Alejandro Simone, Koffie Nassar, and Arina Viseth.
- *Insurance against Natural Disasters in the Caribbean*, by Yu Ching Wong, Anthony Lemus, and Nancy Wagner.

- *Risk Analysis of Public Debt in the Caribbean: A "Fan-Chart" Approach*, by Koffie Nassar and Catherine Pattillo.

Chile

- *Assessment of Real Exchange Rate and External Competitiveness*, by Jiri Podpiera and Yi Wu.
- *Capital Inflows, Exchange Rate Flexibility, and Domestic Credit*, by Nicholas Magud.
- *Do Dynamic Provisions Enhance Bank Solvency and Reduce Credit Procyclicality? A Study of the Chilean Banking System*, by Jorge A. Chan-Lau.
- *Strengthening Chile's Rule-Based Fiscal Framework*, by Teresa Dabán-Sánchez.
- *Too-Connected-to-Fail Risk in the Chilean Banking System: A Balance Sheet Network Analysis*, by Jorge A. Chan-Lau.
- *A Note on Terms of Trade Shocks and the Wage Gap*, by Nicolas Magud.
- *Revisiting the Estimation of the Chilean Output Gap*, by Nicolas Magud and Leandro Medina.
- *A Longer-Term Approach to Fiscal Policy in Chile*, by Borja Gracia, Gabriel Di Bella, and Martin Cerisola.
- *Investment-Specific Productivity Growth: Chile in a Global Perspective*, by Gabriel Di Bella and Martin Cerisola.
- *The Global Financial Turmoil and Its Impact on Chilean Banks*, by Jorge Chan-Lau.

Colombia

- *An Assessment of Financial Sector Indicators for the Colombian Corporate Sector*, by Mercedes Vera Martin.
- *Are Capital Controls Effective in the 21st Century? The Recent Experience of Colombia*, by Benedict J. Clements and Herman Kamil.
- *Determinants of Investment Grade Status and Implications for Colombia's Public Debt*, by Laura Jaramillo.
- *Does Financial Soundness Affect Credit Growth?* by Iva Petrova and Enrique Flores.
- *Monetary and Fiscal Policy Options for Dealing with External Shocks: Insights from the GIMF for Colombia*, by Benedict J. Clements, Enrique Flores, and Daniel Leigh.
- *The Colombian Banking Sector—A Contingent Claims Analysis*, by Marcos Souto and Lisandro Abrego.

Guyana

- *The Impact of the Global Crisis and Policy Response*, by Magda Kandil.
- *The Impact of the EU Sugar Trade Preferences and Their Erosion*, by Felix Eschenbach.
- *Assessing the Fiscal Structural Stance*, by Carla Macario.

Mexico

- *Potential Growth and the Output Gap in Mexico*, by Enrique Flores and Francisco Vazquez-Ahued.
- *Estimating Default Frequencies and Macrofinancial Linkages in the Mexican Banking System*, by Rodolphe Blavy and Marcos Souto.
- *Exchange Rate Exposure of the Mexican Corporate Sector: Progress and Remaining Vulnerabilities*, by Herman Kamil and W. Christopher Walker.
- *Expanding the Regulatory Perimeter: The Case of Sofoles and Sofomes*, by Jose Giancarlo Gasha.
- *Labor Market Informality and Macroeconomic Performance*, by Kristin Magnusson Bernard.
- *Reforming the Fiscal Framework: Budget Rules and Fiscal Risks*, by Geremia Palomba.
- *The Global Crisis and Potential Growth in Mexico*, by Kornelia Krajnyak.

Panama

- *Benefits from Attaining Investment Grade Status and Implications for Panama*, by Mario Dehesa.
- *Macro-financial Linkages in Panama*, by Juliana Araujo and Kristin Magnusson.

Paraguay

- *Potential Output Growth in Spillovers from Agriculture*, by Santiago Acosta-Ormaechea.
- *Bank Excess Reserves in Paraguay—Determinants and Implications*, by Teresa Dabán-Sánchez.
- *Assessing the Appropriateness of Monetary and Fiscal Policies in an Adverse External Environment*, by Montfort Mlachila and Brieuc Monfort.
- *Financial Sector Issues: Advances in the Implementation of the Financial Sector Assessment Program Recommendations*, by Sylwia Nowak.
- *Paraguay's Tax System in a Regional Perspective*, by Ernesto Crivelli.
- *Post-crisis Behavior of Banks in Mercosur*, by Sarah O. Sanya and Montfort Mlachila.
- *Sustainable Management of Revenues from Itaipu*, by Teresa Dabán-Sánchez and Walter Zarate.
- *The Monetary Policy Transmission Mechanism in Paraguay*, by Santiago Acosta-Ormaechea and Teresa Dabán-Sánchez.

Peru

- *Balance Sheet Vulnerabilities in a Dollarized Economy*, by Maria Gonzalez.
- *Credit Growth: Anatomy and Policy Responses*, by Luis Breuer, Jose Gasha, Giancarlo Peschiera, and Juan Alonso Perez-Salmon.
- *Disentangling the Motives for Foreign Exchange Intervention in Peru*, by Maria Gonzalez.

- *Drivers of De-dollarization*, by Mercedes Garcia-Escribano.
- *Macroeconomic Stability and the Role of Fiscal Policy*, by Daniel Leigh.
- *Performance of Alternative Fiscal Rules: An Application to Peru*, by Isabel Rial.
- *Potential Growth and Output Gap in Peru*, by Leandro Medina.
- *Progress in Strengthening Peru's Prudential Framework*, by Patrick Amir Imam and Jose Giancarlo Gasha.
- *Regional Disparities and Public Transfers*, by Mercedes Garcia-Escribano.
- *What to Expect When You Are Expecting...Large Capital Inflows? Lessons from Cross-Country Experiences*, by Mercedes Vera Martin.

Uruguay

- *Assessing the Structural Fiscal Stance*, by Manuel Rosales Torres.
- *Transmission of Policy Rates in Uruguay: A Cross-Country Perspective*, by Santiago Acosta-Ormaechea.
- *Commodity Prices, Growth and the Fiscal Position in Uruguay*, by Rita Babihuga.
- *Dynamic Loan Loss Provisioning in Uruguay*, by Torsten Wezel.
- *Exchange Rate and Competitiveness Assessment*, by Felipe Zanna.
- *How Important Are Regional Factors for Uruguay?* by Sebastián Sosa.

United States

- *The Great Recession and Structural Unemployment*, by Thomas Dowling, Marcello Estevão, and Evridiki Tsounta.
- *Prospects for the U.S. Household Saving Rate*, by Martin Sommer.
- *Production and Jobs: Can We Have One without the Other?* by Nicoletta Batini, Marcello Estevão, and Geoff Keim.
- *The Financing of U.S. Federal Budget Deficits*, by Oya Celasun and Martin Sommer.
- *The U.S. Government's Role in Reaching the American Dream*, by Evridiki Tsounta.
- *The U.S. Fiscal Gap: Who Will Pay and How?* by Nicoletta Batini, Giovanni Callegari, and Julia Guerreiro.
- *Spillovers from U.S. Federal Debt Issuance: The Case of Emerging Market Sovereign Borrowing*, by Oya Celasun.
- *Strategic Priorities for the Reform of U.S. Financial Regulation*, by Ashok Bhatia, Andrea Maechler, and Paul Mills.
- *The U.S. Federal Debt Outlook: A Stochastic Simulation Approach*, by Oya Celasun and Geoffrey Keim.
- *U.S. Potential Growth in the Aftermath of the Crisis*, by Natalia Barrera, Marcello Estevao, and Geoffrey Keim.