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

1. IMF Working Papers


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


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


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/ 17 - Strengthening Chile’s Rule-Based Fiscal Framework, by Teresa Dabán-Sánchez.


WP/10/279 - A Note on Terms of Trade Shocks and the Wage Gap, 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/10/192 - 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/10/102 - The Global Credit Crunch and Foreign Banks’ Lending to Emerging Markets: Why Did Latin America Fare Better? by Herman Kamil and Kulwant Rai.


WP/10/62 - 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/ 54 - Precautionary Reserves: An Application to Bolivia, by Fabian Valencia.


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/ 3 - Investment by Large Firms in Argentina, by Alvaro Piris.


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.
- Canadian Banks and the Credit Turmoil, by Lev Ratnovski and Rocco Huang.
- 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.

Caribbean
- 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.

**Chile**
- A ssessment of Real Exchange Rate and External Competitiveness, by Jiri Podpiera and Yi Wu.
- Capital Inflows, Exchange Rate Flexibility, and Domestic Credit, by Nicholas Magud.
- Strengthening Chile's Rule-Based Fiscal Framework, by Teresa Dabán-Sánchez.
- A Note on Terms of Trade Shocks and the Wage Gap, by Nicolas Magud.
- A Longer-Term Approach to Fiscal Policy in Chile, by Borja Gracia, Gabriel Di Bella, and Martin Cerisola.

**Colombia**
- A ssessment 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.

**Guyana**
- 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-Ahue.
- 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.
- 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.
- 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: A n 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.
• 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 Geoffrey 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.
• 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.