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## CURRICULUM VITAE

**Ricardo J. Caballero**

- OFFICE ADDRESS:** Department of Economics  
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<http://web.mit.edu/caball/www/>
- DATE OF BIRTH:** 10/20/59
- CITIZENSHIP:** Chilean
- CURRENT POSITION:** Ford International Professor of Economics, MIT
- PREVIOUS POSITIONS:** Professor of Economics, MIT (1995-2000)  
Associate Professor of Economics (tenured), MIT (1994-1995)  
Castle-Krob Associate Professor of Economics, MIT (1992-1994)  
Associate Professor of Economics, Columbia University (1990-1992)  
Assistant Professor of Economics, Columbia University (1988-1990)
- UNDERGRADUATE STUDIES:**
- B.S.*, Economics, Pontificia Universidad Católica de Chile (PUC), July 1982.
- GRADUATE STUDIES:**
- Ph.D.*, Economics, Massachusetts Institute of Technology (MIT), May 1988.
- Ph.D. Thesis:* "The Stochastic Behavior of Consumption and Savings."
- M.A.*, Economics, PUC, December 1983.
- M.A. Thesis:* "Short Run Macroeconomic Model of the Chilean Economy: Specification and Estimation."

## **TEACHING AND RESEARCH FIELDS:**

*Primary Field:* Macroeconomics, International Economics, and Finance.

*Secondary Fields:* Labor Economics and Productivity.

## **HONORS, SCHOLARSHIPS AND FELLOWSHIPS :**

The 2002 Frisch Medal of the Econometric Society.

Premio Ex-alumno destacado 1999, Fundación de Ingenieros Comerciales de la Universidad Católica de Chile.

Fellow of The Econometric Society, from 1998.

National Science Foundation Grant, 2002- 2004 (SES0136790)

National Science Foundation Grant, 1998-2001 (Accomplishment based renewal / SBR-9409630).

National Science Foundation Grant, 1995-97 (SBR-9409630).

NBER Research Associate, 1994.

National Science Foundation Grant, 1992-94 (SES-9208896).

Castle Krob Development Chair, 1992-1994, MIT.

Alfred P. Sloan Research Fellow, 1991-95

NBER Faculty Fellow, 1991-1994.

NBER Olin Fellow, 1991-92.

National Science Foundation Grant, 1990-92 (SES-9010443).

PUC Scholarship, 1984-1986.

(PUC) BS with honors, 1982; MA thesis with honors, 1983; MA with honors, 1984.

(PUC) Matrícula de Honor, 1981 and 1982 (best student of the promotion); Premio Raul Iver, 1982 (best graduating student).

## **OTHER HONORS**

Chile's Economist of the Year 2001 – awarded for the first time by “El Mercurio” (main Chilean newspaper)

Graduate Teacher of the year, 1994 (vote), 1998 (vote) and 2000 (evaluations), Department of Economics, MIT.

Second place in Dusansky-Vernon ranking (based on publications on top 5 academic journals), 1998. See *Journal of Economic Perspectives*, Winter 1998, p. 163.

## **SPECIAL LECTURES:**

Bill Phillips Lecture. Australasian Meeting of the Econometric Society, 2003.

Plenary International Finance Lecture. LACEA 1999.

Carlos Diaz Alejandro Lecture. Latin American Econometric Society Meetings, August 1997.

Plenary Theory Lecture. European Econometric Society Meetings, August 1997.

## **PROFESSIONAL SERVICES AND AFFILIATIONS:**

Economics Panel, National Science Foundation, 2002-

Co-Editor, Contributions to Economic Analysis series. Elsevier, North Holland, 2000-2002.

Associate/Co-Editor, Journal of Monetary Economics, 1995-Present.

Associate Editor, Cuadernos de Economía, 1995-Present.

Associate Editor, Revista de Análisis Económico, 1992-Present.

Associate Editor, Journal of Restructuring Finance, 2003-

Member of the Editorial Board. Central Banking, Analysis, and Economic Policy Series. Central Bank of Chile.

Member of the American Economic Association and the Econometric Society.

## **PROFESSIONAL SERVICES AND AFFILIATIONS (cont'd):**

Panelist, NSF Graduate Research Fellowship Program 1996.

Participant and organizer of multiple academic conferences and lectures.

Co-organizer of annual conference on Non-Representative Agent Models in Macroeconomics," NBER (1991-2000).

Referee for: American Economic Review, Econometrica, Journal of Political Economy, Quarterly Journal of Economics, Review of Economic Studies and others.

## **OTHER POSITIONS AND ACTIVITIES:**

International Research Fellow, Kiel Institute of World Economics, 2001-present.

Visiting Professor. Summer 2002, PUC, Chile.

Visiting Professor. Summer 2001, CEMA, Argentina.

Member of Advisory Group for the Brookings Panel on Economic Activity, 1999-Present.

Member of the Scientific Advisory Board of CREI, Barcelona, 1999-Present.

Guest Lecturer, The Kiel Institute of World Economics, Kiel (February 1999).

Henry Wendt Visiting Scholar in Economics, American Enterprise Institute for Public Policy Research, 1998-1999.

Project Director: Volatility Reducing Policy-Report, IADB, 1998-99.

Visiting Scholar and/or consultant at International Monetary Fund, Inter-American Development Bank, Federal Reserve Board and World Bank. Multiple occasions.

Visiting Scholar at Bank of Italy (June 1997), Bank of Portugal (June 1998), and European Central Bank (August 2000).

Guest Lecturer, The Netherlands Network of Economics, Groningen (June 1997).

Project Advisor: Labor Markets and Macroeconomic Performance in Argentina. Department of International Relations, Universidad de Belgrano, Buenos Aires (September 1995-December 1996).

Invited columnist "De Puño y Letra," El Mercurio, Chile (2003).

## **PUBLICATIONS IN JOURNALS (journals in alphabetical order):**

\*: it denotes a refereed publication in a top 5 journal (*American Economic Review*, *Econometrica*, *Journal of Political Economy*, *Quarterly Journal of Economics*, *Review of Economic Studies*)

“The Future of the IMF,” *American Economic Review, Papers and Proceedings*, (forthcoming) May 2003.

“A Dual Liquidity Model of Emerging Markets,” *American Economic Review, Papers and Proceedings*, May 2002, 92(2), May, 2002, 33-37. (with A. Krishnamurthy).

\* “Aggregate Employment Dynamics: Building from Microeconomics” in *American Economic Review* 87(1), March 1997, 115-137, (with E. Engel and J. Haltiwanger).

“The “Fundamental Transformation” in Macroeconomics,” *American Economic Review, Papers and Proceedings* 86(2), May 1996, (with M.Hammour).

\* “The Cleansing Effect of Recessions” *American Economic Review* 84(5), December 1994, 1350-1368. (with M.Hammour).

\* “Customer and Supplier Driven Externalities,” *American Economic Review* 84(4), September 1994, 1075-1084. (with E. Bartelsman and R. Lyons).

\* “A Fallacy of Composition,” *American Economic Review* 82(5), December 1992, 1279-1292.

\* “Target Zones and Realignment,” *American Economic Review* 82(5), June 1992, 520-536 (with G. Bertola).

“Beyond the Partial Adjustment Model,” *American Economic Review, Papers and Proceedings* 82(2), May 1992, 360-364 (with E. Engel).

\* “Earnings Uncertainty and Aggregate Wealth Accumulation,” *American Economic Review* 81(4), September 1991, 859-871.

\* “On the Sign of the Investment Uncertainty Relationship,” *American Economic Review* 81(1), March 1991, 279-288.

“Plant Level Adjustment and Aggregate Investment Dynamics,” *Brookings Papers on Economic Activity* 2, Macroeconomics 1995, 1-54 (with E. Engel and J. Haltiwanger).

“Comments on: A Reconsideration of Investment Behavior Using Tax Reforms as Natural Experiments,” *Brookings Papers on Economic Activity* 2, Macroeconomics 1994, 62-68.

## **PUBLICATIONS IN JOURNALS (cont.):**

“On The International Financial Architecture: Insuring Emerging Markets,” *The Capco Institute Journal*, forthcoming March 2003.

“Jobless Growth: Appropriability, Factor Substitution and Unemployment,” in *Carnegie-Rochester Conference Series on Public Policy*, Vol. 48, June 1998, 51-94 (with M.Hammour).

“Análisis de la Balanza Comercial: Un Enfoque de Equilibrio General,” *Cuadernos de Economía* 70(23), December 1986, 285-313, (with V. Corbo).

\* “Explaining U.S. Manufacturing Investment: A Generalized ( $S,s$ ) approach,” in *Econometrica* 67(4), July 1999, 783-826 (with E. Engel).

\* “Dynamic ( $S,s$ ) Economies,” *Econometrica* 59(6), November 1991, 1659-1686 (with E. Engel). Reprinted in *Optimal Pricing, Inflation, and Cost of Price Adjustment*, E. Sheshinski and Y. Weiss (eds.), Cambridge, MA: The MIT Press, 1993.

“Macroeconomic Volatility in Latin America: A View and Three Case Studies,” *Economia* 1(1), 31-108, Fall 2000. Reprinted in *Estudios de Economía* 28(1), 5-52, June 2001.

“Demand, Unemployment and Growth: A Comment,” *European Economic Review*, 1993.

“Microeconomic Rigidities and Aggregate Price Dynamics,” *European Economic Review* 37(4), 1993, 697-717 (with E. Engel).

“Internal Versus External Economies in European Industry,” *European Economic Review* 34(4), 1990, 805-826 (with R.K. Lyons).

“Uncertainty, Investment, and Industry Evolution” *International Economic Review* 37(3), August 1996, 641-662 (with R. Pindyck).

“On the Ills of Adjustment,” *Journal of Development Economics* 51, 1996, 161-192 (with M. Hammour).

“Review of *Booms and Recessions* by R.E. Hall,” *Journal of Economic Literature* 30(4), 1993, 855-859.

“Smoothing Sudden Stops,” *Journal of Economic Theory*, forthcoming 2003 with A. Krishnamurthy).

“Excessive Dollar Debt: Financial Development and Underinsurance,” *Journal of Finance*, (forthcoming), April, 2003, with A. Krishnamurthy).

## **PUBLICATIONS IN JOURNALS (cont.):**

“International and Domestic Collateral Constraints in a Model of Emerging Market Crises,” *Journal of Monetary Economics* 48(3), December 2001, 513-548 (with A. Krishnamurthy).

“External Effects in U.S. Pro-cyclical Productivity,” *Journal of Monetary Economics* 29(2), May 1992, 209-225 (with R.K. Lyons).

“Consumption Puzzles and Precautionary Savings,” *Journal of Monetary Economics* 25(1), January 1990, 113-136.

“Near Rationality, Heterogeneity and Aggregate Consumption,” *Journal of Money, Credit and Banking* 27(1), February 1995, 29-48.

\* “The Macroeconomics of Specificity,” *Journal of Political Economy* 106(4), August 1998, 724-767 (with M.Hammour).

\* “Durable Goods: An Explanation for their Slow Adjustment,” *Journal of Political Economy* 101(2), April 1993, 351-384.

“Notes on the Theory and Evidence on Aggregate Purchases of Durable Goods,” *Oxford Review of Economic Policy* 10(2), July 1994, 107-117.

\* “On the Timing and Efficiency of Creative Destruction” *Quarterly Journal of Economics* 111(3), August 1996, 805-852 (with M.Hammour).

\* “Microeconomic Adjustment Hazards and Aggregate Dynamics,” *Quarterly Journal of Economics* 108 (2), May 1993, 359-383 (with E. Engel).

\* “Expenditure on Durable Goods: A Case for Slow Adjustment,” *Quarterly Journal of Economics* 105(3), 1990, 727-744.

“Small Sample Bias and Adjustment Costs,” *Review of Economics and Statistics* 76(1), February 1994, 52-58.

\* “Irreversibility and Aggregate Investment” *Review of Economic Studies* 61(2), April 1994, 223-246 (with G. Bertola).

\* “Cross-Sectional Efficiency and Labor Hoarding in a Matching Model of Unemployment” *Review of Economic Studies* 61(3), July 1994, 435-456 (with G. Bertola).

\* “Heterogeneity and Output Fluctuations in a Dynamic Menu Costs Model,” *Review of Economic Studies* 60(1), January 1993, 95-120 (with E. Engel).

“The Effect of Real Exchange Rate Uncertainty on Exports: Empirical Evidence,” *World Bank Economic Review* 3(2), May 1989, 263-278 (with V. Corbo).

## BOOKS

*Macroeconomic Volatility in Reformed Latin America*, Inter-American Development Bank, Washington, D.C., 2001.

*The Macroeconomics of Creative Destruction*, in progress (joint with M. Hammour).

## BOOK CHAPTERS:

“Inflation Target and Sudden Stops,” forthcoming in *Inflation Target*, ed by Michael Woodford, NBER 2003 (with A. Krishnamurthy).

“Coping with Chile’s External Vulnerability: A Financial Problem,” *Economic Growth: Sources, Trends, and Cycles*, Banco Central de Chile, edited by Norman Loayza and Raimundo Soto; pp 377-416, 2002.

“International Liquidity Management Problems in Modern Latin America: Their Origin and Policy Implications,” *Latin American Macroeconomic Reforms: The Second Stage*, edited by Jose Antonio Gonzalez, Vittorio Corbo, Anne Krueger and Aaron Tornell, 2002.

“Institutions, Restructuring, and Macroeconomic Performance” in *Advances in Macroeconomic Theory*, edited by Jacques Dreze, Palgrave, NY 2001, 171-193 (joint with M. Hammour).

“Creative Destruction and Development: Institutions, Crises, and Restructuring,” *Annual World Bank Conference on Development Economics 2000*, 213-241 (joint with M. Hammour).

“Aggregate Investment,” *Handbook of Macroeconomics*, edited by J.B. Taylor and M. Woodford, North Holland, 1999, 813-862.

“Job Reallocation and the Business Cycle: New Facts and Old Debate -A Comment,” in *What Causes Business Cycles*, ed. By Jeffrey C. Fuhrer and Scott Shuh, Boston Federal Reserve Bank “Beyond Shocks” Conference volume no. 42, 338-448, June 1998.

“How High are the Giants' Shoulders: An Empirical Assessment of Knowledge Spillovers and Creative Destruction in a Model of Economic Growth,” in *NBER Macroeconomics Annual 1993*, Cambridge: The MIT Press, 15-86 (with A. Jaffe). To be reprinted in *Economic Growth: Theory and Evidence*, ed. by Gene M. Grossman, 1997, Cheltenham, UK, Edward Elgar Publishing, and in *Technology and Growth*, ed. by Paul Romer and Manuel Trajtenberg, forthcoming MIT Press, 1997.

“On the Dynamics of Aggregate Investment,” in *Striving for Growth After Adjustment: The Role of Capital Formation*, ed. by Luis Servén and Andrés Solimano, Washington: The World Bank, 1993, 81-106.

## **BOOK CHAPTERS (cont.):**

“The Case for External Economies: An Overview,” (with R.K. Lyons) in *Political Economy, Growth and Business Cycles*, ed. by A. Cukierman, Z. Hercowitz, and L. Leiderman, Cambridge: The MIT Press, 1993.

“External Effects and Europe's Integration” (with R.K. Lyons) in *European Integration: Trade and Industry*, ed. L.A. Winters and A. Venables, New York: Cambridge University Press, 1991.

“Sustainable Intervention Policies and Exchange Rate Dynamics” (with G. Bertola) in *Exchange Rate Targets and Currency Bands*, ed. By M. Miller and P. Krugman, New York: Cambridge University Press, 1991.

“Kinked Adjustment Costs and Aggregate Dynamics,” (with G. Bertola) in *NBER Macroeconomics Annual 1990*, Cambridge: The MIT Press.

## **UNPUBLISHED PAPERS:**

“Hedging Sudden Stops and Precautionary Recessions: A Quantitative Approach,” MIT mimeo, March 2003 (with S. Panageas)

“The Cost of Recessions Revisited: A Reverse-Liquidation View”, January 2003 (with M. Hammour)

“Speculative Growth”, November 27, 2002 (with M. Hammour)

“A Vertical Analysis of Monetary Policy in Emerging Economies,” January 2002 (with A.Krishnamurthy).

“International Liquidity Illusion: On the Risks of Sterilization,” February 2001 (with A.Krishnamurthy).

“Emerging Market Crises: An Asset Markets Perspective,” MIT mimeo, August 1999 (with A.Krishnamurthy).

“Fixed Costs: The Demise of q-Theory,” March 1996, NBER Wp #5508 (with J. Leahy).

“Some Cross-Sectional Aspects of Equilibrium Unemployment Models,” (with G. Bertola).

“Improper Churn: Social Costs and Macroeconomic Consequences,” March 1998 (with M.Hammour).

“Sunk Investments, The Churn, and Macroeconomics,” NBER Reporter, Spring 1997.

## **UNPUBLISHED PAPERS (cont.):**

“On the Management of Speculative Capital Flows: Bubbles and Debt Maturity,” August 1996.

“Price Rigidities, Asymmetries, and Output Fluctuations,” December 1992 (with E. Engel).

“Productivity Linkages in U.S. Manufacturing,” October 1991 (with R. Lyons).

“Time Dependent Rules, Aggregate Stickiness and Information Externalities,” Columbia WP # 428, May 1989.

“Slope Shocks and Consumption Puzzles: Semi-Structural Approach,” January 1989.

“Liquidity Constraints, Nonstationary Labor Income and Consumption Excess Smoothness,” Mimeo, MIT, April 1987.

“The Role of Consumption During the Great Depression,” Mimeo, MIT, December 1986.

“Testing for Liquidity Constraints: International Evidence,” Mimeo, MIT, January 1986.

“Trimestralizacion y Extrapolacion: Una Aplicacion,”(with J.M. Sanchez), Trabajo Docente #38, PUC, June 1984.

“El Problema de Control y el Principio del Maximo: Teoria y Aplicaciones,” (with A. Torche), Trabajo Docente # 37, PUC, September 1983.

## **UNPUBLISHED POLICY PAPERS:**

“Aggregate Volatility in Modern Latin America: Diagnostic, Analysis, and Policy Recommendations,” prepared for the World Bank’s FY00 flagship report “Dealing with Economic Insecurity in Latin America, April 2000.

“Structural Volatility in Chile: A Policy Report,” prepared for IADB, October 1999.

“Structural Volatility in Mexico: A Policy Report,” prepared for IADB, September 1999.

“Structural Volatility in Argentina: A Policy Report,” prepared for IADB, August 1999.

## **LIGHT READINGS:**

“Alarma Azul,” March 2003.

“Insuring Emerging Markets”, October 2002

“Japan’s Indian Summer”, July, 2002, (with A. Kashyap)

“The Battle for Argentina”, April 2002, La Nacion (with R. Dornbusch)

“Emerging Markets’ Economics”, April, 2002, (Neue Zurcher Zeitung)

“Argentina: A Rescue Plan that Works,” Financial Times Op-Ed, March 2002 (with R. Dornbusch).

“The Limits of Special Interest: What Caused Three Decades of High Unemployment in Europe?” October 1999, (with M. Hammour).

“Stock Market Interventions: An Update,” July 1999.

“Stock Market Interventions: Away with Taboos!” November 1998.