

ECON 8559-001 International Macroeconomics: Applications, Policy, and History

Alan M. Taylor
Fall 2012

Class Hours: Monroe 110 TuTh 12:30 PM – 1:45 PM
Office Hours: Monroe 248 MW 2:00 PM– 3:00 PM

Syllabus

The objective of this course is to introduce students to the frontiers of applied empirical research in international macroeconomics, and by the end of the course enable them to begin research in this area. A prior course in international macroeconomic theory would be helpful, but is not essential.

Evaluation will be based on two components. 75% weight will be given to a final paper on a topic chosen in consultation with the instructor. The remaining 25% will be based on class presentations. From time to time students will be scheduled to make class presentations, in the form of critical reviews of selected papers from the syllabus (denoted *).

Capital movements and market integration over the very long run (Class # 1/2)

Neal, Larry. "Integration of International Capital Markets: Quantitative Evidence from the Eighteenth to Twentieth Centuries." *Journal of Economic History* 50 (June 1985): 219-26.

Christopher Hoag "The Atlantic Telegraph Cable and Capital Market Information Flows" *Journal of Economic History* (2006), 66:2:342-353.

Peter Koudijs. 2010. The Boats That Did Not Sail: Evidence on the Sources of Asset Price Volatility from an 18th Century Natural Experiment. UPF. Photocopy.

Canjels, Eugene, Gauri Prakash-Canjels, and Alan M. Taylor, 2004. "Measuring Market Integration: Foreign Exchange Arbitrage and the Gold Standard, 1879-1913," *Review of Economics and Statistics*, vol. 86(4), pages 868-882, 05.

Ted Juhl & William Miles & Marc D. Weidenmier, 2004. "Covered Interest Arbitrage: Then vs. Now," NBER Working Papers 10961.

Obstfeld, Maurice, and Alan M. Taylor. "The Great Depression as a Watershed: International Capital Mobility in the Long Run." In *The Defining Moment: The Great Depression and the American Economy in the Twentieth Century*, edited by Michael D. Bordo, Claudia D. Goldin and Eugene N. White. Chicago: University of Chicago Press, 1998.

Lane, Philip R. & Milesi-Ferretti, Gian Maria, 2007. "The external wealth of nations mark II: Revised and extended estimates of foreign assets and liabilities, 1970-2004," *Journal of International Economics*, Elsevier, vol. 73(2), pages 223-250, November.

Taylor, Alan M. 2002. "A century of current account dynamics." *Journal of International Money and Finance* vol. 21(6), pages 725-748, November.

*Dennis P. Quinn & Hans-Joachim Voth, 2008. "A Century of Global Equity Market Correlations," *American Economic Review*, American Economic Association, vol. 98(2), pages 535-40, May.

Exchange rate regimes over the very long run (3)

Meissner, Christopher M., 2005. "A new world order: explaining the international diffusion of the gold standard, 1870-1913," *Journal of International Economics*, vol. 66(2), pages 385-406, July.

Meissner, Christopher M. & Oomes, Nienke, 2009. "Why do countries peg the way they peg? The

determinants of anchor currency choice," *Journal of International Money and Finance*, Elsevier, vol. 28(3), pages 522-547, April.

*Carmen M. Reinhart & Kenneth S. Rogoff, 2004. "The Modern History of Exchange Rate Arrangements: A Reinterpretation," *Quarterly Journal of Economics*, vol. 119(1), pages 1-48, February.

Eduardo Levy-Yeyati, Federico Sturzenegger, Classifying exchange rate regimes: Deeds vs. words, *European Economic Review*, Volume 49, Issue 6, August 2005, Pages 1603-1635.

Levy Yeyati, Eduardo & Sturzenegger, Federico & Reggio, Iliana, 2010. "On the endogeneity of exchange rate regimes," *European Economic Review*, Elsevier, vol. 54(5), pages 659-677, July.

Obstfeld, Maurice & Rogoff, Kenneth, 1995. "The Mirage of Fixed Exchange Rates," *Journal of Economic Perspectives*, American Economic Association, vol. 9(4), pages 73-96, Fall.

*Michael W. Klein & Jay C. Shambaugh, 2006. "The Nature of Exchange Rate Regimes," NBER Working Papers 12729, National Bureau of Economic Research, Inc.

Fixed exchange rates: credibility and risk premia under the gold standard (4)

Bordo, Michael D., and Hugh Rockoff. "The Gold Standard as a "Good Housekeeping Seal of Approval"." *Journal of Economic History* 56, no. 2 (1996): 389-428.

Obstfeld, Maurice, and Alan M. Taylor, 2003. "Sovereign risk, credibility and the gold standard: 1870-1913 versus 1925-31," *Economic Journal*, vol. 113(487), pages 241-275, 04.

*Ferguson, Niall, and Moritz Schularick (2006), "The Empire Effect: The Determinants of Country Risk in the First Age of Globalization, 1880-1913." *Journal of Economic History* 66(2), 283-312.

Ferguson, Niall & Moritz Schularick, 2008. "The 'Thin Film Of Gold' Monetary Rules and Policy Credibility In Developing Countries," NBER Working Papers 13918. <http://www.nber.org/papers/w13918>

Mitchener, Kris James & Marc D. Weidenmier, 2009. "Are Hard Pegs Ever Credible in Emerging Markets? Evidence from the Classical Gold Standard," NBER Working Papers 15401. <http://www.nber.org/papers/w15401>

Fixed exchange rates: trade (5)

Rose, Andrew K. 2000. "One money, one market: the effect of common currencies on trade," *Economic Policy*, vol. 15(30), pages 7-46, 04.

Glick, Reuven, Andrew K. Rose. 2002. "Does a currency union affect trade? The time-series evidence," *European Economic Review*, vol. 46(6), pages 1125-1151, June.

Lopez-Cordova, J. Ernesto & Christopher M. Meissner, 2003. "Exchange-Rate Regimes and International Trade: Evidence from the Classical Gold Standard Era," *American Economic Review*, vol. 93(1), pages 344-353, March.

Estevadeordal, Antoni, Brian Frantz, and Alan M. Taylor. 2003. The Rise and Fall of World Trade, 1870-1939. *Quarterly Journal of Economics* 118 (May): 359-407.

Flandreau, Marc, and Mathilde Maurel, 2005. "Monetary Union, Trade Integration, and Business Cycles in 19th Century Europe," *Open Economies Review*, vol. 16(2), pages 135-152, January.

Glick, Reuven, and Alan M. Taylor, 2005. "Collateral Damage: Trade Disruption and the Economic Impact of War," NBER Working Papers 11565. NBER

*Klein, Michael W. & Shambaugh, Jay C., 2006. "Fixed exchange rates and trade," *Journal of International Economics*, Elsevier, vol. 70(2), pages 359-383, December.

LOOP and PPP (6)

- Rogoff, Kenneth. 1996. "The Purchasing Power Parity Puzzle." *Journal of Economic Literature*. 34:2, pp. 647–68.
- Anderson, James E. and Eric van Wincoop. 2004. "Trade Costs." *Journal of Economic Literature*. Forthcoming.
- O'Connell, Paul G. J. and Shang-Jin Wei. 2002. "'The Bigger They Are, The Harder They Fall': Retail Price Differences Across U.S. Cities." *Journal of International Economics*. 56:1, pp. 21–53.
- Taylor, Mark P. & Sarno, Lucio, 1998. "The behavior of real exchange rates during the post-Bretton Woods period," *Journal of International Economics*, Elsevier, vol. 46(2), pages 281-312, December.
- Taylor, A. M. "A Century of Purchasing Power Parity." *Review of Economics and Statistics* 84 (February 2002): 139–50.
- Obstfeld, Maurice and Alan M. Taylor. 1997. "Nonlinear Aspects of Goods-Market Arbitrage and Adjustment: Heckscher's Commodity Points Revisited." *Journal of the Japanese and International Economies*. 11:4, pp. 441–79.
- *Taylor, Mark P., David A. Peel and Lucio Sarno. 2001. "Nonlinear Mean-Reversion in Real Exchange Rates: Towards a Solution to the Purchasing Power Parity Puzzles." *International Economic Review*. 42, pp. 1015–42.
- Taylor, Mark P. and Lucio Sarno. 1998. "The Behavior of Real Exchange Rates During the Post-Bretton Woods Period." *Journal of International Economics*. 46:2, pp. 281–312.
- Taylor, Alan M., and Mark P. Taylor, 2004. "The Purchasing Power Parity Debate," *Journal of Economic Perspectives*, American Economic Association, vol. 18(4), pages 135-158, Fall.
- Bergin, Paul R., Reuven Glick, and Alan M. Taylor. 2004. "Productivity, Tradability, and The Long-Run Price Puzzle." Working Paper Series no. 10569, National Bureau of Economic Research (June).

Real Exchange Rates, Adjustment and Growth (7)

- Philip R. Lane, Gian Maria Milesi-Ferretti, 2002. External wealth, the trade balance, and the real exchange rate, *European Economic Review*, Volume 46, Issue 6, June 2002, Pages 1049-1071.
- Dani Rodrik. The Real Exchange Rate and Economic Growth. *Brookings Papers on Economic Activity*, Fall 2008, pp. 365-412.
- Philip R. Lane & Gian Maria Milesi-Ferretti, 2004. "The Transfer Problem Revisited: Net Foreign Assets and Real Exchange Rates," *Review of Economics and Statistics*, vol. 86(4), pages 841-857, 02.
- *Pierre-Olivier Gourinchas & H el ene Rey, 2007. "International Financial Adjustment," *Journal of Political Economy*, University of Chicago Press, vol. 115(4), pages 665-703, 08.

Arbitrage, Interest Parity, and Carry Trades (8/9)

- Fama, E. F. (1984), "Forward and Spot Exchange Rates," *Journal of Monetary Economics*, 14:3:319–338.
- Mark P. Taylor, Covered Interest Arbitrage and Market Turbulence, *The Economic Journal*, Vol. 99, No. 396 (Jun., 1989), pp. 376-391
- Niall Coffey & Warren B. Hrug & Asani Sarkar, 2009. "Capital constraints, counterparty risk, and deviations from covered interest rate parity," Staff Reports 393, Federal Reserve Bank of New York.
- *Froot, Kenneth A & Frankel, Jeffrey A, 1989. "Forward Discount Bias: Is It an Exchange Risk Premium?," *The Quarterly Journal of Economics*, MIT Press, vol. 104(1), pages 139-61, February.

- Menzie D. Chinn & Guy Meredith, 2005. "Testing Uncovered Interest Parity at Short and Long Horizons during the Post-Bretton Woods Era," NBER Working Papers 11077.
- Jordà, Ò., and A. M. Taylor. "The Carry Trade and Fundamentals: Nothing to Fear But FEER Itself." Working Paper Series no. 15518, National Bureau of Economic Research, November 2009.
- *Craig Burnside, Martin Eichenbaum, Isaac Kleshchelski, and Sergio Rebelo. Do Peso Problems Explain the Returns to the Carry Trade? *Rev. Financ. Stud.* (2011) 24(3): 853-891
- Lustig, Hanno and Adrien Verdelhan. 2007. "The Cross-Section of Foreign Currency Risk Premia and Consumption Growth Risk." *American Economic Review*, 97(1): 89ñ117.
- Craig Burnside, The Forward Premium Is Still a Puzzle. NBER Working Paper No. 13129. May 2007, Revised July 2007, Revised June 2011
- Berge, T. J., Ò. Jordà, and A. M. Taylor. "Currency Carry Trades." *NBER International Seminar on Macroeconomics*. Forthcoming.

The Trilemma, and Policy Shock Transmission (10/11)

- *Jay C. Shambaugh, 2004. "The Effect of Fixed Exchange Rates on Monetary Policy," *The Quarterly Journal of Economics*, MIT Press, vol. 119(1), pages 300-351, February.
- Obstfeld, Maurice, Jay C. Shambaugh, and Alan M. Taylor. 2005. "The Trilemma in History: Tradeoffs Among Exchange Rates, Monetary Policies, and Capital Mobility." *Review of Economics and Statistics* vol. 87(3), pages 423-438, December.
- Obstfeld, Maurice, Jay C. Shambaugh, and Alan M. Taylor. 2004. Monetary Sovereignty, Exchange Rates, and Capital Controls: The Trilemma in the Interwar Period. *IMF Staff Papers* 51 (Special Issue 2004): pp.75-108.
- Aizenman, J., M. D. Chinn and H. Ito 2008. "Assessing the Emerging Global Financial Architecture: Measuring the Trilemma's Configurations over Time," NBER WP 14533.
- di Giovanni, Julian & Shambaugh, Jay C., 2008. "The impact of foreign interest rates on the economy: The role of the exchange rate regime," *Journal of International Economics*, 74(2), pages 341-361.
- James Feyrer & Jay C. Shambaugh, 2009. "Global Savings and Global Investment: The Transmission of Identified Fiscal Shocks," NBER Working Papers 15113.
- Perotti, Roberto, The 'Austerity Myth': Gain Without Pain? (December 1, 2011). BIS Working Paper No. 362.
- *Ethan Ilzetzki & Enrique G. Mendoza & Carlos A. Végh, 2010. "How Big (Small?) are Fiscal Multipliers?," NBER Working Papers 16479, National Bureau of Economic Research, Inc.
- Daniel Leigh & Andrea Pescatori & Jaime Guajardo, 2011. "Expansionary Austerity New International Evidence," IMF Working Papers 11/158, International Monetary Fund.

The Great Depression, International Aspects and Evidence (12/13)

- Eichengreen, Barry J. "The Origins and Nature of the Great Slump Revisited." *Economic History Review* 45 (May 1992): 212-239.
- Kindleberger, Charles P. *The World in Depression, 1929-1939*. Berkeley: University of California Press, 1986. Chs. 5, 6 and 14.
- Temin, Peter. *Lessons from The Great Depression*. Cambridge, Mass.: MIT Press, 1989. Lecture 2. ®
- Eichengreen, Barry, and Jeffrey D. Sachs. "Exchange Rates and Economic Recovery in the 1930s." *Journal of Economic History* 45 (December 1985): 925-46.

Campa, Jose Manuel. "Exchange Rates and Economic Recovery in the 1930s: An Extension to Latin America." *Journal of Economic History* 50 (September 1990): 677-82.

*Bernanke, Ben S & Carey, Kevin, 1996. "Nominal Wage Stickiness and Aggregate Supply in the Great Depression," *Quarterly Journal of Economics*, 111(3), pages 853-83, August.

Eichengreen, Barry & Douglas A. Irwin, 2009. "The Slide to Protectionism in the Great Depression: Who Succumbed and Why?," NBER Working Papers 15142.

Douglas A. Irwin. 2010. Did France Cause the Great Depression? NBER Working Paper No. 16350.

Gabriel P. Mathy & Christopher M. Meissner, 2011. "Trade, Exchange Rate Regimes and Output Co-Movement: Evidence from the Great Depression," NBER Working Papers 16925.

*Almunia, Miguel & Agustín S. Bénétrix & Barry Eichengreen & Kevin H. O'Rourke & Gisela Rua, 2009. "From Great Depression to Great Credit Crisis: Similarities, Differences and Lessons," NBER Working Papers 15524. <http://www.nber.org/papers/w15524>

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Openness and Growth (14/15)

O'Rourke, Kevin H. "Tariffs and Growth in the Late 19th Century." *Economic Journal* 110 (2000): 456—83.

Irwin, Douglas A., and Marko Terviö, 2002. "Does trade raise income?: Evidence from the twentieth century," *Journal of International Economics*, vol. 58(1), pages 1-18, October.

Douglas A. Irwin. 2002. Did Import Substitution Promote Growth in the Late Nineteenth Century? NBER Working Paper No. 8751.

Clemens, M.A. and J.G. Williamson. 2004. Why did the Tariff-Growth Correlation Change after 1950? *Journal of Economic Growth* 9: 5-46.

Jacks, David S., 2006. "New results on the tariff growth paradox," *European Review of Economic History*, vol. 10(02), pages 205-230, July.

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Sachs, J. D., and A. M. Warner. "Economic Reform and the Process of Global Integration." *Brookings Papers on Economic Activity* (1995).

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Rodriguez, Francisco, and Dani Rodrik. "Trade Policy and Economic Growth: A Skeptic's Guide to Cross-National Evidence." In *NBER Macroeconomics Annual 2001*, edited by Ben S. Bernanke and Kenneth Rogoff, 2001.

*Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi, 2004. "Institutions Rule: The Primacy of Institutions Over Geography and Integration in Economic Development," *Journal of Economic Growth*, vol. 9(2), pages 131-165.

Hausmann, Ricardo, Lant Pritchett, and Dani Rodrik, 2005. Growth Accelerations. *Journal of Economic Growth*, vol. 10(4), pages 303-329, December.

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Estevadeordal, A., and A. M. Taylor. "Is the Washington Consensus Dead? Growth, Openness, and the Great Liberalization, 1970s–2000s." NBER Working Papers 14264, 2008.

Capital Flows and Growth in the Longer Run (16/17)

- Lucas, R. E., Jr. "Why Doesn't Capital Flow from Rich to Poor Countries?" *American Economic Review* 80 (May 1990): 92-96.
- Hall, Robert E., and Charles I. Jones. 1999. Why Do Some Countries Produce So Much More Output per Worker than Others? *Quarterly Journal of Economics* 114 (February): 83–116.
- Caselli Francesco, and James Feyrer, 2005. "The Marginal Product of Capital," NBER Working Papers 11551.
- Kose, M. Ayhan & Eswar Prasad & Kenneth S. Rogoff & Shang-Jin Wei, 2006. Financial Globalization: A Reappraisal. NBER Working Papers 12484.
- Eswar S. Prasad & Raghuram G. Rajan & Arvind Subramanian, 2007. Foreign Capital and Economic Growth. *Brookings Papers on Economic Activity*, vol. 1(2007-1), pages 153-230.
- Philip R. Lane & Gian Maria Milesi-Ferretti, 2008. "The Drivers of Financial Globalization," *American Economic Review*, American Economic Association, vol. 98(2), pages 327-32, May.
- *Laura Alfaro & Sebnem Kalemli-Ozcan & Vadym Volosovych, 2008. "Why Doesn't Capital Flow from Rich to Poor Countries? An Empirical Investigation," *The Review of Economics and Statistics*, vol. 90(2), pages 347-368, 01.
- Michael D. Bordo & Christopher M. Meissner, 2007. "Foreign Capital and Economic Growth in the First Era of Globalization," NBER Working Papers 13577.
- Clemens, M. A. and J. Williamson (2004). "Wealth bias in the first global capital market boom, 1870–1913" *Economic Journal* 114 (2): 304-337.
- Moritz Schularick, 2006. "A tale of two 'globalizations': capital flows from rich to poor in two eras of global finance," *International Journal of Finance & Economics*, vol. 11(4), pages 339-354.
- *Schularick, M. and Steger, Thomas. 2010. "Financial Integration, Investment, And Economic Growth: Evidence From Two Eras Of Financial Globalization." *Review of Economics and Statistics*. November 2010, Vol. 92, No. 4, Pages 756-768.

Capital Flows in the Short Run and Sudden Stops (18)

- Calvo, Guillermo A.; Reinhart, Carmen (2000). "When Capital Inflows Come to a Sudden Stop: Consequences and Policy Options". In Kenen, P.; Swoboda, A.. *Reforming the International Monetary and Financial System*. Washington, DC: International Monetary Fund.
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- Rothenberg, A. D. and Warnock, F. E. (2011), Sudden Flight and True Sudden Stops. *Review of International Economics*, 19: 509–524.
- *Kristin J. Forbes, Francis E. Warnock. 2011. Capital Flow Waves: Surges, Stops, Flight, and Retrenchment. NBER Working Paper No. 17351

Crises, Twin Crises, Triple Crises (19)

- Graciela L. Kaminsky & Carmen M. Reinhart, 1999. "The Twin Crises: The Causes of Banking and Balance-of-Payments Problems," *American Economic Review*, American Economic Association, vol. 89(3), pages 473-500, June.
- Michael Bordo & Barry Eichengreen & Daniela Klingebiel & Maria Soledad Martinez-Peria. 2001. "Is the crisis problem growing more severe?" *Economic Policy*, vol. 16(32), pages 51-82.
- Kapur, Sandeep, and Luis Catão, 2004. "Missing Link: Volatility and the Debt Intolerance Paradox," IMF Working Papers 04/51, International Monetary Fund.
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- Reinhart, Carmen M., and Kenneth S. Rogoff. 2008. "This Time is Different: A Panoramic View of Eight Centuries of Financial Crises," NBER Working Papers 13882. NBER
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- *Rong Qian & Carmen M. Reinhart & Kenneth S. Rogoff, 2011. "On Graduation from Default, Inflation and Banking Crises: Elusive or Illusion?," NBER Chapters, in: NBER Macroeconomics Annual 2010, Volume 25, pages 1-36.

Sovereign Debt (20)

- Lindert, P. H., and P. H. Morton. "How Sovereign Debt Has Worked." In *Developing Country Debt and the World Economy*, edited by J. D. Sachs. Chicago: University of Chicago Press, 1989.
- Drelichman, Mauricio & Voth, Hans-Joachim, 2008. "Lending to the Borrower from Hell: Debt and Default in the Age of Phillip II," UBC Departmental Archives mauricio_drelichman-2008-, UBC Department of Economics, revised 06 Sep 2010.
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- Mitchener, Kris James and Marc Weidenmier. (forthcoming). "Empire, Public Goods, and the Roosevelt Corollary." *Journal of Economic History* and NBER Working Paper 10279 (September 2004).
- Kris James Mitchener Marc D. Weidenmier, Supersanctions and Sovereign Debt Repayment. NBER Working Paper 11472 <http://www.nber.org/papers/w11472>.
- Rose, Andrew K. (2002). "One Reason Countries Repay Their Debts: Renegotiation and International Trade." NBER Working Paper 8853 (March). <http://www.nber.org/papers/W8853>.
- *Reinhart, Carmen M., Kenneth S. Rogoff, and Miguel A. Savastano. "Debt Intolerance," *Brookings Papers on Economic Activity*, 2003, v2003(1), 1-74.
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Currency Mismatch and "Original Sin" (21)

- Barry Eichengreen & Ricardo Hausmann, 1999. "Exchange Rates and Financial Fragility," NBER Working Papers 7418.
- Calvo, Guillermo A. and Carmen M. Reinhart. "Fear Of Floating," *Quarterly Journal of Economics*, 2002, v107(2,May), 379-408.
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Michael D. Bordo & Christopher M. Meissner, 2007. "Financial Crises, 1880–1913: The Role of Foreign Currency Debt," NBER Chapters, in: *The Decline of Latin American Economies: Growth, Institutions, and Crises*, pages 139-194. National Bureau of Economic Research, Inc.

Michael D. Bordo & Christopher Meissner & Angela Redish, 2003. "How "Original Sin" was Overcome: The Evolution of External Debt Denominated in Domestic Currencies in the United States and the British Dominions," NBER Working Papers 9841.

*Lane, Philip R. & Shambaugh, Jay C., 2010. "The long or short of it: Determinants of foreign currency exposure in external balance sheets," *Journal of International Economics*, Elsevier, vol. 80(1), pages 33-44, January.

Banking Crises and International Evidence (22)

Borio, C, and White, W., (2003) "Whither monetary and financial stability? The implications of evolving policy regimes", in 'Monetary Policy and Uncertainty: Adapting to a Changing Economy', pp131-212. Federal Reserve Bank of Kansas City: Kansas City.
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Carmen M. Reinhart, Kenneth S. Rogoff. 2010. From Financial Crash to Debt Crisis. NBER Working Paper No. 15795.

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*Gourinchas, Pierre-Olivier, and Maurice Obstfeld. 2012. "Stories of the Twentieth Century for the Twenty-First." *American Economic Journal: Macroeconomics*, 4(1): 226–65.

Asymmetry, International Reserves, and Exorbitant Privilege (23/24/25)

Pierre-Olivier Gourinchas & Hélène Rey, 2005. "From World Banker to World Venture Capitalist: US External Adjustment and the Exorbitant Privilege," NBER Working Papers 11563.

Stephanie E. Curcuru & Tomas Dvorak & Francis E. Warnock, 2008. "Cross-Border Returns Differentials," *The Quarterly Journal of Economics*, MIT Press, vol. 123(4), pages 1495-1530, November.

Christopher M. Meissner & Alan M. Taylor, 2006. "Losing our Marbles in the New Century? The Great Rebalancing in Historical Perspective," NBER Working Papers 12580, National Bureau of Economic Research, Inc.

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- Menzie Chinn & Jeffrey Frankel, 2005. "Will the Euro Eventually Surpass the Dollar as Leading International Reserve Currency?," NBER Working Papers 11510.
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- *Aizenman, J. and Lee, J. 2007. "International reserves: precautionary versus mercantilist views, theory and evidence," *Open Economies Review*, 2007, 18 (2), pp. 191-214.

- Kathryn M.E. Dominguez, Yuko Hashimoto, Takatoshi Ito. 2011. International Reserves and the Global Financial Crisis. NBER Working Paper No. 17362.
- Laura Alfaro & Sebnem Kalemli-Ozcan & Vadym Volosovych, 2011. "Sovereigns, Upstream Capital Flows and Global Imbalances," NBER Working Papers 17396.
- Eswar S. Prasad, Role Reversal in Global Finance, NBER Working Paper No. 17497.
- *Obstfeld, M. 2011. The International Monetary System: Living with Asymmetry.
<http://elsa.berkeley.edu/~obstfeld/The%20International%20Monetary%20System.pdf>

Limits to Globalization: Evidence on Border/Currency Effect (26/27)

- Anderson, James E. & Eric van Wincoop, 2004. "Trade Costs," *Journal of Economic Literature*, vol. 42(3), pages 691-751, September.
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