

**International Macroeconomics**

Martín Uribe

Duke University

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Office Hours: Tuesdays 10:30-11:30am, SocSci 221

**1. Pricing To Habits and Macroeconomic Adjustment**

(a) Deep Habits

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Ravn, Morten, Stephanie Schmitt-Grohé, and Martín Uribe, “Deep Habits and Sticky Prices: A Technical Note,” manuscript, Duke University.

Nakamura, Emi and Jon Steinsson, “Price Setting in a Forward-Looking Customer Market,” manuscript, Harvard University, 2006.

(b) Deviations from the Law of One Price and the International Transmission of Demand Shocks

Ravn, Morten O., Stephanie Schmitt-Grohé, and Martín Uribe, “Pricing to Habits and the Law of One Price,” *American Economic Review, Papers and Proceedings*, 97, (May 2007): 232-238.

Ravn, Morten O., Stephanie Schmitt-Grohé, and Martín Uribe, “Explaining the Effects of Government Spending Shocks on Consumption and the Real Exchange Rate,” manuscript, Duke University, June 2007.

Blanchard, Olivier and Roberto Perotti, “An Empirical Characterization of the Dynamic Effects of Changes in Government Spending and Taxes on Output,” *Quarterly Journal of Economics*, 117, (November 2002): 1329-1368.

Corsetti, Giancarlo and Gernot J. Müller, “Twin deficits: squaring theory, evidence and common sense,” *Economic Policy*, October 2006, 599-638.

Fatás, Antonio, and Ilian Mihov, “The Effects of Fiscal Policy on Consumption and Employment: Theory and Evidence,” manuscript, Insead, August 2001.

Monacelli, Tommaso and Roberto Perotti, “Fiscal Policy, the Trade Balance, and the Real Exchange Rate: Implications for International Risk Sharing,” manuscript, IGER, Università Bocconi, June 2006.

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Ramey, Valerie, “Identifying Government Spending Shocks: It’s All in the Timing,” mimeo, University of California, San Diego, July 2006.

(c) Imperfect Pass-Through

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- Goldberg, Pinelopi K., “Product Differentiation and Oligopoly in International Markets: The Case of the US Automobile Industry,” *Econometrica*, 63, (July 1995): 891-951.
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- Nakamura, Emi, “Accounting for Incomplete Pass-Through,” manuscript, Harvard University, November 2006.
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## 2. Business Cycles in Emerging Economies

### (a) Empirics

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### (b) Theories

#### i. Real Business Cycles

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#### ii. Terms of Trade, World Interest Rates, and Country Spreads

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### iii. Procyclical Fiscal Policy

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### iv. Overborrowing

- McKinnon, R. and H. Pill, “Credible Liberalizations and International Capital Flows: The Overborrowing Syndrome,” in Ito, T., Krueger, A.O. (eds.) *Financial Deregulation and Integration in East Asia*, Chicago: University of Chicago Press, 1999.
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### v. Technical Background: Solving Dynamic General Equilibrium Models

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## 3. Lending Under Imperfect Enforcement

- Reinhart, Carmen M., Kenneth Rogoff, and Miguel Savastano, “Debt Intolerance,” *Brookings Papers On Economic Activity* 2003(1), 2003, 1-74.
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