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**Education**

Ph.D., Economics, University of Chicago, 1992

*Thesis: "Employment, Wage, and Productivity Dynamics in an Equilibrium Business Cycle Model with Heterogeneous Labor" Supervised by Professors Robert E. Lucas, Jr., Robert M. Townsend and Michael Woodford*

M.A., Economics, Brown University, 1986

B.A., Economics, Mathematics, and Statistics, University of Madras, 1985

**Employment**

Tolani Senior Professor of Trade Policy, Cornell University, 2007-

Division Chief, Financial Studies Division, Research Department, IMF, 2005-2006

Division Chief, China Division, Asia and Pacific Department, IMF, 2002-2004

Assistant to the Director, Research Department, IMF, 2000-2002

Senior Economist, IMF, 1998-2000

Economist, IMF, September 1990-1998

Research Assistant, Professor Robert E. Lucas, Jr., University of Chicago, 1988-89

Research Assistant, Professor John Huizinga, University of Chicago, 1986-87

**Journal Articles**

"A Framework for Independent Monetary Policy in China" (with Marvin Goodfriend) **CESifo Economic Studies**, forthcoming.

"Changes in the Earnings Structure during the Polish Transition," (with Michael Keane) **Journal of Development Economics**, June 2006.

"Modernizing China's Growth Paradigm" (with Raghuram Rajan) **American Economic Review Papers & Proceedings**, May 2006.

"How Do Trade and Financial Integration Affect the Relationship Between Growth and Volatility?" (with M. Ayhan Kose and Marco Terrones) **Journal of International Economics**, May 2006.

- “The Unbearable Stability of the German Wage Structure: Evidence and Interpretation,” **IMF Staff Papers**, September 2004.
- “How Does Globalization Affect the Synchronization of Business Cycles?” (with Ayhan Kose and Marco Terrones) **American Economic Review Papers & Proceedings**, May 2003.
- “Medium-Term Determinants of Current Accounts in Industrial and Developing Countries: An Empirical Exploration,” (with Menzie Chinn) **Journal of International Economics**, January 2003.
- “Identifying the Common Component in International Economic Fluctuations: A New Approach,” (with Robin Lumsdaine) **The Economic Journal**, January 2003.
- “Wage Inequality in the United Kingdom, 1975-99,” **IMF Staff Papers**, October 2002.
- “Inequality, Transfers and Growth: New Evidence from the Economic Transition in Poland,” (with Michael Keane) **Review of Economics and Statistics**, May 2002.
- “Possible Effects of European Monetary Union on Switzerland: A Case Study of Policy Dilemmas Caused by Low Inflation and the Nominal Interest Rate Floor,” (with Douglas Laxton) **Journal of Policy Modeling**, August 2001.
- “Macroeconomic Fluctuations in Developing Countries: Some Stylized Facts,” (with Pierre-Richard Agénor and John McDermott) **World Bank Economic Review**, May 2000.
- “International Trade and the Business Cycle,” **The Economic Journal**, October 1999.
- “International Evidence on the Determinants of Trade Dynamics,” (with Jeffery Gable) **IMF Staff Papers**, September 1998.
- “Labor Market Adjustment in Canada and the United States,” (with Alun Thomas) **Canadian Public Policy**, Winter 1998.
- “Real Exchange Rate Fluctuations and the Business Cycle: Evidence from Japan,” (with Bankim Chadha) **IMF Staff Papers**, September 1997.
- “Sectoral Shifts and Structural Change in the Japanese Economy: Evidence and Interpretation,” **Japan and the World Economy**, August 1997.
- “Currency Unions, Economic Fluctuations, and Adjustment: Some New Empirical Evidence,” (with Tamim Bayoumi) **IMF Staff Papers**, March 1997.
- “Skill Heterogeneity and the Business Cycle,” **Canadian Journal of Economics**, November 1996.

“Employment and Wage Effects of Oil Price Changes: A Sectoral Analysis,” (with Michael Keane) **Review of Economics and Statistics**, August 1996.

“Are Prices Countercyclical? Evidence from the G-7,” (with Bankim Chadha) **Journal of Monetary Economics**, October 1994.

“Skill Levels and the Cyclical Variability of Employment, Hours, and Wages,” (with Michael Keane) **IMF Staff Papers**, December 1993.

“Interpreting the Cyclical Behavior of Prices,” (with Bankim Chadha) **IMF Staff Papers**, June 1993.

### **IMF Books and Monographs**

Editor of **China and India: Learning from Each Other** (co-editors: Jahangir Aziz and Steven Dunaway), 2006.

Editor of “China’s Growth and Integration with the World Economy: Prospects and Challenges,” **IMF Occasional Paper No. 232**, 2004.

Editor of “Hong Kong SAR: The Challenges of Integration with the Mainland,” **IMF Occasional Paper No. 226**, 2004.

“Effects of Financial Globalization on Developing Countries: Some Empirical Evidence,” (with Kenneth Rogoff, Shang-Jin Wei and M. Ayhan Kose), **IMF Occasional Paper No. 220**, 2003. [*Featured in the Economist Magazine’s Economics Focus Column, November 2006*]. Abridged version of this study published in **Economic and Political Weekly**, India, October 2003, and reprinted in **India’s and China’s Recent Experience with Reform and Growth** edited by Wanda Tseng and David Cowen (Palgrave MacMillan), 2005. Revised and extended version forthcoming in an **NBER Volume on Globalization and Poverty** edited by Ann Harrison (Chicago: University of Chicago Press), 2005

“Perspectives on Regional Unemployment in Europe,” (with Paolo Mauro and Antonio Spilimbergo) **IMF Occasional Paper No. 177**, 1999.

“MULTIMOD Mark III: The Core Dynamic and Steady State Models,” (with Douglas Laxton, Peter Isard, Hamid Faruquee, Bart Turtelboom) **IMF Occasional Paper No. 164**, 1998.

### **Book Chapters and Other Publications**

“Patterns of International Capital Flows and their Implications for Economic Development,” (with Raghuram Rajan and Arvind Subramanian) forthcoming in the **Proceedings of the 2006 Jackson Hole Symposium**, Federal Reserve Bank of Kansas City. [*Featured in the Economist Magazine’s Economic Focus column, September 2006*].

- “Exchange Rate Flexibility in China: Why It Really Matters,” forthcoming in **China at the Crossroads: FX and Capital Markets Policy for the Next Decade**, edited by Charles Calomiris, 2006 (Columbia University Press).
- “Monetary Policy Implementation in China,” (with Marvin Goodfriend) forthcoming in **Monetary Policy Strategies for Asia: Proceedings of a BIS-HKIMR Conference**, edited by Hans Genberg and Robert McCauley.
- “Putting the Cart Before the Horse? Capital Account Liberalization and Exchange Rate Flexibility in China,” (with Thomas Rumbaugh and Qing Wang) **IMF Policy Discussion Paper** PDP/05/1, January 2005. [*Featured in the Economist Magazine’s Economic Focus column, March 18, 2005*]. Published in **China and the World Economy**, 2005. Reprinted in **Globalization and Growth in China**, edited by Linda Yueh and Yao Yang (World Scientific Press), 2006; and in **China and India: Learning from Each Other**, edited by Jahangir Aziz, Steven Dunaway and Eswar Prasad (IMF), 2006.
- “China’s Approach to Capital Inflows: Patterns and Possible Explanations,” (with Shang-Jin Wei) forthcoming in an **NBER Volume on International Capital Flows** edited by Sebastian Edwards (University of Chicago Press), 2006. Revised and extended version forthcoming in **China at the Crossroads: FX and Capital Markets Policy for the Next Decade**, edited by Charles Calomiris, 2007 (Columbia University Press). To be reprinted in **Policy Reform and Chinese Markets: Progress and Challenges**, edited by Belton Fleisher, Nicholas Hope, Anita Pena and Dennis Yang (Edward Elgar).
- “Growth and Volatility in an Era of Globalization,” (with M. Ayhan Kose and Marco Terrones) forthcoming in **IMF Staff Papers: Selected Proceedings of the MussaFest Conference**, edited by Robert Flood, 2005.
- “Volatility and Comovement in an Integrated World Economy: An Empirical Exploration,” (joint with M. Ayhan Kose and Marco Terrones), in **Proceedings of the 2003 Kiel Week Conference: Macroeconomic Policies in the World Economy**, edited by Horst Siebert (Springer-Verlag), 2004.
- “What Determines the Reservation Wages of Unemployed Workers? New Evidence from German Micro Data,” in **Institutions and Wage Formation in the New Europe**, edited by Gabriel Fagan, Francesco Mongelli and Julian Morgan (Edward Elgar), 2004.
- “Financial Integration and Macroeconomic Volatility” (joint with M. Ayhan Kose and Marco Terrones) **IMF Staff Papers: Proceedings of the Third Annual Research Conference of the IMF**, 2003.
- “Redistribution and Growth in the Polish Transition: An Analysis from Political Economy and New Growth Theory Perspectives,” (with Michael Keane), in **Growth and Inequality: Issues and Policy Implications**, edited by Eicher and Turnovsky (MIT Press), 2003.

“Consumption and Income Inequality During Early Transition: Poland, 1985-92” (with Michael Keane) **IMF Staff Papers: Proceedings of the First Annual Research Conference of the IMF**, November 2001.

“The Dynamics of Reservation Wages: Preliminary Evidence from the GSOEP,” **Proceedings of the 2000 GSOEP Conference**, 2001 (Berlin, Germany: DIW).

“International Spillovers of Macroeconomic Shocks: A Quantitative Exploration,” (with Douglas Laxton) in **EMU, Financial Markets and the World Economy**, edited by Thomas Moser and Bernd Schips, 2000 (Kluwer Academic Publishers).

“A Disaggregated Analysis of Employment Growth Fluctuations in Canada,” (with Alun Thomas) **Atlantic Economic Journal**, September 1998.

“Labor Market Aspects of Industrial Restructuring in Canada,” **Canadian Business Economics**, Fall 1993.

### **Current Research**

“Financial Globalization: A Reappraisal and Synthesis,” (with Ayhan Kose, Kenneth Rogoff and Shang-Jin Wei). Revised and resubmitted to the **Journal of Economic Literature**. [*Featured in the Economist Magazine’s Economic Focus column, November 2006*].

“Foreign Capital and Economic Growth,” (with Raghuram Rajan and Arvind Subramanian). In preparation for the Brookings Panel on Economic Activity, March 2007.

“Global Business Cycle Convergence” (with Ayhan Kose and Christopher Otrok).

“How Does Financial Globalization Affect International Risk Sharing: Patterns and Channels” (with Ayhan Kose and Marco Terrones).

“The Determinants of Household Saving in China” (with Marcos Chamon).

“Income, Consumption and Wage Inequality in China” (with Marcos Chamon).

“Threshold Effects in the Relationship between Financial Integration and Growth” (with Ayhan Kose and Ashley Taylor).

### **Non-technical Articles**

“Financial Globalization: Beyond the Blame Game” (with M. Ayhan Kose, Kenneth Rogoff and Shang-Jin Wei) **Finance & Development**, forthcoming.

- “The Paradox of Capital” (with Arvind Subramanian and Raghuram Rajan) **Finance & Development**, forthcoming.
- “The Welfare Implications of Global Financial Flows” **The Cato Journal**, forthcoming.
- “Controlled Capital Account Liberalization: A New Approach” (with Raghuram Rajan), **IMF Policy Discussion Paper** PDP/05/7, October 2005.
- “Next Steps for China: Why Financial Sector Reform is a Crucial Element of a Longer-Term Growth Strategy,” **Finance & Development**, September 2005.
- “Taking the Plunge Without Getting Hurt: How Globalization Has Changed the Relationship Between Growth and Volatility,” (with M. Ayhan Kose and Marco Terrones) **Finance & Development**, December 2004.
- “Capital Account Liberalization,” (with M. Ayhan Kose) **Finance & Development**, September 2004.
- “Growth and Stability in China: Prospects and Challenges,” **Economic & Political Weekly** (India), May 2004.
- “Beyond the Great Wall: China’s Integration into the Global Trading System,” (with Thomas Rumbaugh) **Finance & Development**, December 2003.
- “Thinking Big: How Can Small States Hold Their Own in an Increasingly Globalized Economy,” (with Ayhan Kose) **Finance & Development**, December 2002.
- “Inequality, Transfers and Growth in Transition” (with Michael Keane) **Finance & Development**, March 2001.

### **Newspaper Op-eds**

- “An Independent Monetary Policy for China,” (with Marvin Goodfriend) published in various regional and international newspapers through **Project Syndicate**, November 2006.
- “Rebalancing Growth in China,” (with Steven Dunaway) **International Herald Tribune** Op-ed article, January 12, 2006.
- “China’s Financial Sector Challenge,” (with Raghuram Rajan) **Financial Times** Op-ed article, May 10, 2005.
- “Interest Rate Liberalization in China,” (with Steven Dunaway) **International Herald Tribune** Op-ed article, December 4, 2004.

“The Emerging Truth of Going Global,” (with Kenneth Rogoff) **Financial Times** Op-ed article, September 2, 2003.

### **Other Papers**

“Shocks and Structural Breaks: Labor Market Reforms in the United Kingdom,” (with Ramana Ramaswamy) IMF Working Paper, December 1994.

“Changes in the Relationship between the Long-Term Interest Rate and Its Determinants,” (with William Lee) IMF Working Paper, October 1994.

“The Canadian Labor Market: Developments, Policy, and Prospects,” IMF Working Paper, September 1994.

### **Professional Experience**

Mission Chief for IMF Article IV Consultation missions to Myanmar (2002) and Hong Kong SAR (2003-04), and IMF Staff Visit to China (2003). Deputy Chief for IMF Article IV Consultation missions to China (2002-04). Participated in IMF Article IV Consultation missions to the United States (1992-94), Canada (1991-93), the Bahamas (1991-93), Japan (1995), Switzerland (1996), Italy (1997), Germany (1999) and the United Kingdom (2000). Extensive experience in policy issues concerning China, globalization, business cycles, labor markets, international trade, exchange rates, and monetary policy. Authored a number of policy-oriented background papers on these topics for the IMF country reports. Technical versions of many of these papers have since been published in academic journals.

Many of my research papers and quotes from my speeches have been cited extensively in wire service stories as well as prominent media outlets including the *Economist*, *Financial Times*, *International Herald Tribune*, *New York Times*, *Wall Street Journal* and numerous other international and regional newspapers.

Founding editor of *IMF Research Bulletin*, a quarterly report on research activities at the IMF, June 2000-December 2002.

Associate editor of *IMF Staff Papers*, the IMF’s scholarly journal, 1999.

Co-editor of *IMF Staff Papers*, 2000-06.

Member of editorial board, *Finance & Development*, 2004-06.

Research Fellow, IZA (Institute for the Study of Labor), Bonn, Germany, March 2002-present.

Reviewer for National Science Foundation grant proposals. Refereed papers for *JPE*, *AER*, *JEL*, *REStud.*, *REStat.*, *EJ*, *JME*, *EER*, *JDE*, *JIE*, *JMCB*, *JBES*, *JIMF* and other journals.

### **Research Grants**

[Not eligible for individual grants under terms of IMF employment]

National Council for Eurasian and East European Research (NCEEER), Grant for Project entitled “Consumption and Income in a Transition Economy: Evidence from Polish Household Data” (joint with Michael Keane), 1998-2000.

**Lectures, Conferences, Seminars**

*Plenary and other major invited lectures:*

Plenary panel on “How Does Capital Account Liberalization Affect Growth?” at IMF Seventh Annual Research Conference, Washington, DC, November 2006.

Keynote lecture on “The Exchange Rate Regime, Monetary Policy, and Financial Sector Reforms in China” at Cass Business School-EBRD Conference on Transition Economies, London, September 2006

Keynote lecture at CESifo Conference on “Understanding the Chinese Economy” Munich, June 2005

Foreign Correspondents’ Club, Hong Kong, November 2004

Plenary panel at Harvard China Review Annual Conference, Harvard University, April 2004

*Presented papers at several conferences including:*

American Economic Association Annual Meetings: 1999, 2000-04, 2006-07

Royal Economic Society Annual Meeting: 1998, 2000

Econometric Society Winter Meeting, 1995, 1997, 2001

Canadian Economics Association Annual Meeting, 1993, 1995

2006: CEPR Conference on Global Interdependence, Inter-American Development Bank--Latin American Ministers’ Meeting, Federal Reserve Bank of Boston Conference on Global Imbalances, NBER Summer Institute, Cato Institute 16<sup>th</sup> Annual Monetary Conference, IMF Seventh Annual Research Conference, World Bank-ICRIER Conference on Patterns of Growth in India, National Council of Applied Economic Research (India) Golden Jubilee Conference.

2005: Stanford-Tsinghua Conference on China, CESifo Conference on China and the World Economy, NBER Working Group Meeting on China, CESifo Conference on Global Imbalances, Geneva Institute of International Studies Conference on Asia, Hong Kong Institute of Monetary Research-BIS Conference on Monetary Policy Strategies in Asia.

2004: London Business School Conference on Transition, IMF Mussafest, Tsinghua University China-India Conference, NBER Conference on Capital Flows.

2003: IMF-NCAER Conference on China and India.

2002: IMF Third Annual Research Conference.

2001: European Central Bank Annual Conference on Labor Markets, Society for Economic Dynamics Annual Meeting; CESifo Conference on Inequality and Growth, Econometric Society Summer Meeting, North East Universities Development Conference, CEPR European Summer Symposium in Labor Economics.



2000: World Congress of the Econometric Society, IMF First Annual Research Conference, German Socio-Economic Panel (GSOEP) Conference.

1999: European Meeting of the Econometric Society, European Economic Association Annual Meeting.

1998: Villa Mondragone International Economics Seminar (Universita di Roma), European Economic Association Annual Meeting.

1996: CSLS-CREF Conference on the Unemployment Gap between Canada and the U.S.

1994: NBER Monetary Economics Program Meeting, Society for Economic Dynamics and Control Conference.

*Various seminar presentations including at:*

Bank for International Settlements

CEEER, Warsaw

Cornell University

European Central Bank

Federal Reserve Board, Washington, DC

Federal Reserve Bank of San Francisco

Georgetown University

Harvard University

Hong Kong Monetary Authority

Institute for Financial and Management Research, Chennai

London School of Economics

Peking University (China Center for Economic Research)

Reserve Bank of India

Stanford University

University of British Columbia

University of California, Berkeley

University of California, Santa Cruz

University of Chicago

University of Houston

World Bank

### **Honors & Awards**

University Fellowship, University of Chicago, 1986-90

Bradley Foundation Fellowship, University of Chicago, 1990 (declined)

University Fellowship, Brown University, 1985-86

National Talent Search Scholarship, Government of India, 1982-85