

# Ernesto Talvi

## CERES

Center for the Study of Economic and Social Affairs  
Antonio Costa 3476, 11300 Montevideo, Uruguay  
Phone: (598) 2628 7703 - Fax: (598) 2622 0526  
E-mail: [etalvi@ceres-uy.org](mailto:etalvi@ceres-uy.org) - Web Site : [www.ceres-uy.org](http://www.ceres-uy.org)

### PROFESSIONAL EXPERIENCE

#### 1. CURRENT POSITIONS

**CERES (Center for the Study of Economic and Social Affairs), Academic Director, Montevideo, Uruguay, since September 1997.**

CERES is a non-for-profit independent public policy research institution, located in Montevideo, Uruguay, specializing in research and analysis on global and emerging markets macroeconomic and financial affairs, with special emphasis in Latin America; in the design of public policies and in promoting its debate in international and regional forums. CERES is financed by domestic corporate sponsors, international funding for specific projects and research grants.

Main Responsibilities:

- Generation of the research agenda, coordination and quality control of research projects; dissemination of ideas and policy proposals, fundraising and internal management.

Main Goals and Achievements:

- *To position CERES as a global/regional institution.* CERES designed, developed and coordinates the LatinMacroWatch (see below) for the research department of the Inter-American Development Bank. Through the activities of the LatinMacroWatch, CERES has made substantial contributions to understanding the role of global factors in explaining Latin America's economic performance and its recurrent financial crises. CERES has also actively participated in more than 100 international and regional conferences, workshops and policy debates on the international financial architecture, global imbalances, the causes of financial crisis in emerging economies, crisis prevention and resolution and macro and financial policy in Latin America and the current global financial crisis and its impact on emerging markets.

CERES was ranked by the University of Pennsylvania Program on *Think Tanks and Civil Societies* as the leading think tank in Uruguay, among the ten leading think tanks in Latin America and was nominated among the 35 most influential think tanks in the area of international economic policy.

- *To produce a policy relevant research agenda in every area of government.* CERES has produced numerous policy proposals in a wide array of areas: macro policy, financial crisis prevention and resolution, sovereign debt restructuring, fiscal institutions, tax reform, decentralization, privatization, trade integration policy, educational reform, conditional transfers to the poor.
- *To influence the policy debate by developing an efficient communications strategy.* CERES has earned a reputation as a highly respected source of independent public policy thinking and has been very successful in triggering policy debates on a wide array of issues. Many of its proposals were pursued and implemented. CERES played a key role in the design of the proposal that successfully resolved Uruguay's banking crisis in 2002.
- *To create strong links with the international academic community.* CERES has developed a wide network of external research associates in universities and research centers in Latin America, the US and Europe and regularly participates in academic conferences and seminars at prestigious academic institutions. CERES organized in 2001 the Annual Meetings of the Latin American and the Caribbean Economic Association (LACEA), the most prestigious regional gathering that congregates 400 academics and policy makers. CERES also created and organized the first four editions of the annual workshop of LACEA's Regional Integration Network, that gathered academics, policy-makers and trade negotiators to discuss integration policies in the region.
- *To train young economists highly committed to intellectual excellence and to their country.* Every year, CERES places its young research economists at top universities in the US and Europe (e.g. The University of Chicago, Stanford University, Columbia University, UCLA, Caltech, London School of Economics, Pompeu Fabra) due to its high quality standards of selection and training that have earned recognition in academia.
- *To apply sound management principles to the production, financing and marketing of ideas.* CERES has created an excellent working environment by building a highly professional, talented and motivated research and administrative staff that is highly valued by the market. It has also been recognized by the quality of its processes and procedures. Since 1997, CERES experienced an exponential growth in its financing: corporate sponsors multiplied by four, while grants and international financing multiplied by five.

## 1. **CURRENT POSITIONS** (cont.)

### **INTER-AMERICAN DEVELOPMENT BANK, Special Advisor to the Research Department on global and regional macroeconomic and financial affairs, Washington DC and Montevideo, since January 2001.**

- Designed and developed the concept of LatinMacroWatch (LMW) and its line of products. The LMW monitors and analyzes global factors that affect Latin America's economic performance and major developments in Latin American economies, emphasizing systemic issues and cross-country comparisons to identify main risks and macro policy challenges for the region and promote research work.
- Coordinates the preparation of the annual Macro Report on Latin America which is presented at the Annual Meetings of the Board of Governors of the Inter-American Development Bank.
- Prepares regular presentations on Latin America's macroeconomic outlook and on specific issues, in order to contribute to the policy dialogue of the Research Department with the Board of the IADB, government officials and policy makers in Latin America, financial analysts and investors, other multilateral organizations (e.g. IMF, World Bank) and government officials of developed countries.
- Has written several papers and articles in collaboration with Research Department economists on the impact of global factors in the economic performance of Latin America, the causes and propagation mechanisms of financial crises, the anatomy of recoveries from financial crisis, crisis prevention and resolution policies, unwinding of global imbalances from an emerging markets perspective, the global financial crisis and its impact on emerging markets.
- Collaborates in design of the agenda, prepares reports and presentations and participates in the bi-annual meetings of the Latin American Network of Central Banks and Finance Ministries organized by the research department of the IADB.
- Contributes to the development of the research agenda by interacting with economists at the research department of the IADB.
- Manages a team of ten economists (located at CERES in Montevideo, Uruguay) in charge of the production of LatinMacroWatch products.

### **THE BROOKINGS INSTITUTION, Non-Resident Senior Fellow, Washington DC, since July 2008.**

- Non-Resident Fellows at Brookings are "leading thinkers in their respective field, that can help the program advance its own research and policy analysis and contribute to the diversity of thought, intellectual rigor, and ability to reach a wide audience of political corporate and civic leaders".

### **COLUMBIA UNIVERSITY, New York, Visiting Professor, Academic Year 2011-2012 and Lecturer since 2009.**

- Edward Larocque Tinker Visiting Professor at the School of International and Public Affairs (SIPA) for the Academic Year 2011-2012.
- Lecturer in the Course "International Financial Issues in Emerging Markets" organized by the School of International and Public Affairs (SIPA) every year since 2009.

### **O.R.T. UNIVERSITY, Uruguay, since December 1989**

- Was actively involved in the design of the MBA program, the Masters in Finance Program and the undergraduate program in Economics. The three programs have a well-established reputation and attract a large number of students.
- Taught a course on International Economics for MBA's and currently delivers occasional lectures on specific subjects.

### **UNIVERSIDAD TORCUATO DI TELLA, Buenos Aires, Argentina, School of Government, Visiting Lecturer, since March 2001.**

## **2. PREVIOUS POSITIONS**

### **INTER-AMERICAN DEVELOPMENT BANK, Research Department, Senior Research Economist, Washington, D.C., September 1995- September 1997.**

- Conducted research work in the areas of exchange rate-based stabilization, balance-of-payments crises, the business cycle management of fiscal policy, the relationship between electoral rules, institutional arrangements and fiscal performance and the relationship between national saving, growth and financial stability (see Publications below).
- Designed and organized a bi-annual meeting between the Research Department, members of the international and academic community and the Chief Economists of the Central Banks and Finance Ministries of Latin America. The meetings' objectives were to promote high-level interaction and personal bonds among the main economic decision-makers in Latin America and to discuss relevant policy topics for the region.
- Coordinated various research projects on the IDB's Regional Research Network. The Network had a membership of more than 200 research centers and Universities in Latin America and the Caribbean and was created to promote high quality, policy-oriented research in the region through a competitive selection process managed by the Research Department.
- Was actively involved in the Research Department's dissemination strategy of ideas, policy proposals and research work by participating in conferences, seminars and workshops throughout Latin America, the US and Europe.
- Collaborated in the design of Inter-American Development Bank's policy by participating in economic evaluation missions to member countries and by reviewing and discussing country strategy papers.

### **MINISTRY OF FINANCE, Chief Advisor to Uruguay's Economic Team, Montevideo, Uruguay, June 1990-March 1995.**

- Participated in the weekly meeting of the economic team (integrated by the Minister of Finance, the Governor of the Central Bank, the Director of Management and Budget and the President of the state owned Banco de la República), which is the body responsible for strategic economic policy decision-making.
- Co-designed, together with the IMF, the exchange rate based stabilization plan launched in January 1991 when inflation reached 130%. The plan was responsible for bringing inflation in Uruguay down to single digits.
- Was the Chief negotiator vis-à-vis the International Monetary Fund missions. During this period two successful stand-by programs were negotiated, signed and executed.

### **CENTRAL BANK OF URUGUAY, Chief Economist and Head of the Research Department, Montevideo, Uruguay, June 1990-September 1995.**

- Designed and monitored the Macroeconomic and Financial Program. Deviations were identified and corrective policy measures proposed at the weekly meetings of the Economic Team.
- Was a member of the Open Market Committee of the Central Bank which is responsible for the implementation of monetary and exchange rate policy and public debt management (the latter on behalf of the Treasury). Prepared the analytical reports and recommendations for the weekly meetings of the Open Market Committee upon which its decisions were based.
- As Head of the Research Department, was responsible for three Divisions (Monetary Policy and Macroeconomic Analysis; Economic Research; National Income Accounting) employing sixty-five people.
- Implemented a major reorganization of the Research Department: strategic objectives were redefined; outputs were modernized to serve those objectives and personnel retrained to adapt to the new requirements. Following the recommendations of the Bank of International Settlements, the new organizational model was adapted from the Bank of Israel after carefully studying in situ their organizational structure and procedures.
- Promoted a program of scholarships to finance graduate studies in economics to upgrade the quality of the Central Bank staff. Many economists that benefited from this program now hold key positions in the administration that took office in March 2005.

## 2. PREVIOUS POSITIONS (cont.)

### **MERRILL LYNCH URUGUAY, Financial Consultant, May 1980 - August 1984.**

- Initiated and organized at age 23, Merrill Lynch's Montevideo operation and the commodities and financial futures trading business and was recognized by regional management as instrumental in the unprecedented growth of the Montevideo operation.
- Received training at Merrill Lynch headquarters in New York, Chicago and London.

## 3. ADDITIONAL PROFESSIONAL EXPERIENCE AND TRAINING

- **Inter-American Development Bank, Research Department, Visiting Scholar, Washington D.C., June/July 1999, November 1999.** Completed two papers on dollarization and the macroeconomics of highly dollarized economies (see Publications below).
- **Deutsche Bank New York, Emerging Markets Research, Consultant, 1998-1999.** Performed three macroeconomic diagnostic missions to Brazil, Argentina and Mexico and a paper for the Emerging Market Conference organized by Deutsche Bank at the 1998 IMF/World Bank Annual Meetings.
- **Uruguayan Policymakers' Study Tour to New Zealand, November 1997.** A ten-day policy tour organized by the World Bank for a group of Uruguayan policy makers. The visit included a series of lectures in Wellington and Auckland by the architects of the broad based public sector reforms, initiated in New Zealand in 1985, which became a model of 'best practices'. The policy tour also included visits to privatized businesses, local governments and agri-businesses.
- **Management Techniques for Non-for-Profit Research Institutions, Atlas Economic Research Foundation, Herndon, Virginia, May 1997.** A 3-day international workshop on management techniques on how to organize intellectual production, financing and dissemination of research work and policy proposals.
- **International Monetary Fund, Research Department, Visiting Scholar, Washington D.C., July/August 1994; September/October 1994.** Completed two papers on the dynamics of exchange rate based stabilization programs (see Publications below).
- **Federal Reserve Bank of New York, New York, October 1993.** Two-week course on the techniques used by the New York Fed to implement monetary policy through Open Market Operations.
- **Bank of France and Bank of Israel, June 1993.** Organized visits to study the organizational structure and the operating procedures of the areas of these banks dealing with monetary policy, economic research and national income accounting.
- **Bank of England, Center for Central Banking Studies, London, November 1992.** Three-week course organized by the Bank of England on the functions, problems and operating procedures of Central Banks.
- **World Bank Seminar, Santiago, Chile, January 1991.** Two-week course on the use of financial instruments to manage assets and liabilities of a Central Bank.

## EDUCATION

**Ph.D. - ECONOMICS/FINANCE. The University of Chicago, Department of Economics and The Graduate School of Business, Chicago, Illinois, 1995.**

- Ph.D. Dissertation: "Exchange Rate-Based Stabilization with Endogenous Fiscal Response", (Tutor: Guillermo Calvo), 1994. The Ph.D dissertation was prepared while working at the Central Bank of Uruguay.
- Specialization exams:
  - International Economics (Chairman: Michael Mussa), 1988
  - Finance (Chairman: Eugene Fama), 1987
  - Money and Banking (Chairman: Robert Lucas), 1986
- Recipient of merit-based University fellowships (1985-89, 1994-95) and Organization of American States scholarship (1987-1989).

**M.B.A.- FINANCE. The University of Chicago, Graduate School of Business, Chicago, Illinois, June 1989.**

- Elected to membership of Beta Gamma Sigma national honorary fraternity in recognition of academic excellence, April 1989.

**M.A.- ECONOMICS. The University of Chicago, Department of Economics, Chicago, Illinois, Dec. 1985.**

**ECONOMIST. Universidad de la República, Montevideo, Uruguay, February 1983.**

- Ranked in the top one percent of the students of its generation.

## AFFILIATIONS

Founding member of the **Latin-American Shadow Financial Regulatory Committee (CLAAF)**. CLAAF is an independent group of prestigious Latin American economists that occupied key positions in government or international organizations. As its US, European and Japanese counterparts, CLAAF issues periodic statements that contain recommendations to promote well functioning financial markets in Latin America.

In October 1999 was elected to the twelve-member **Executive Committee of LACEA (Latin American and the Caribbean Economic Association)**. Executive Committee members are elected through an open ballot process among the 700 LACEA members.

Member of the **Academia Nacional de Economía of Uruguay**.

## PERSONAL DATA

**Born:** Montevideo, June 10, 1957.

**Marital Status:** Married, two children.

**Travel:** South and Central America, North America, Europe, Israel, Japan, Thailand and New Zealand.

**Languages:** Fluent in Spanish, English and French.

## REFERENCES

**Guillermo Calvo.** Professor of Economics, School of International and Public Affairs, Columbia University; former Chief Economist of the Inter-American Development Bank (IADB). Email: [gc2286@columbia.edu](mailto:gc2286@columbia.edu)

**Santiago Levy.** Vicepresident for Sectors and Knowledge and Chief Economist, Inter-American Development Bank, Washington, DC. Email: [slevy@iadb.org](mailto:slevy@iadb.org)

**Carmen Reinhart.** Dennis Weatherstone Senior Fellow at the Peterson Institute for International Economics. Email: [creinhart@piie.com](mailto:creinhart@piie.com)

**Andrés Velasco.** Former Finance Minister of Chile, 2006-2010. Email: [avbranes@gmail.com](mailto:avbranes@gmail.com)

## PUBLICATIONS

**Anemia, Exuberance and Vulnerability: The New Global Economic Geography (2011)**, with Ignacio Munyo, CERES Report on Latin America's Macroeconomic Outlook from a Global Perspective.

**One Region, Two Speeds? Challenges of the New Global Economic Order for Latin America and the Caribbean (2011)**, with Alejandro Izquierdo, Inter-American Development Bank.

**The Aftermath of the Global Crisis: Policy Lessons and Challenges Ahead for Latin America and the Caribbean (2010)**, with Alejandro Izquierdo, Inter-American Development Bank.

**A Stability Pact a la Maastricht for Emerging Markets (2009)**, with Alejandro Izquierdo. VOX, [www.voxeu.org](http://www.voxeu.org).

**Policy Trade-offs for Unprecedented Times. Confronting the Global Crisis in Latin America and the Caribbean (2009)**, with Alejandro Izquierdo, Books 635, Inter-American Development Bank.

**All that Glitters May Not Be Gold: Assessing Latin America's Recent Macroeconomic Performance (2008)**, with Alejandro Izquierdo, Books 628, Inter-American Development Bank.

**Current Account Surplus in Latin America: Recipe Against Capital Market Crises?**, with Guillermo Calvo (2007). Roubini Global Economics, [www.rgemonitor.com](http://www.rgemonitor.com).

**Booms and Busts in Latin America: The Role of External Factors (2007)**, with Alejandro Izquierdo and Randall Romero, Working Paper 631, Inter-American Development Bank.

**Monetary and Fiscal Policies in a Sudden Stop: Is Tighter Brighter? (2007)**, with Alberto Ortiz, Pablo Ottonello and Federico Sturzenegger, KSG Faculty Research, Working Paper Series RWP07-057, Harvard University

**The Resolution of Global Imbalances: Soft Landing in the North, Sudden Stop in Emerging Markets? (2006)**, with Guillermo Calvo, Special Issue of the *Journal of Policy Modeling*, volume 28, issue 6.

**Phoenix Miracles in Emerging Markets: Recovering Without Credit From Systemic Financial Crises (2006)**, with Guillermo Calvo and Alejandro Izquierdo, NBER Working Paper 12101.

**Sudden Stop, Financial Factors and Economic Collapse in Latin America: Learning From Argentina and Chile (2005)**, with Guillermo Calvo, NBER Working paper 11153. This paper was prepared for presentation at the discussion forum "*From the Washington Consensus Towards a New Global Governance*", held at the Forum Barcelona, in Barcelona, Spain, September 24-26, 2004.

**Tax Base Variability and Procyclical Fiscal Policy in Developing Countries (2005)**, with Carlos Végh, *Journal of Development Economics* 78, 156-190 and NBER Working Paper 7499.

**Privatizing Social Security Under Imperfect Credibility: Too Much of a Good Thing in Latin America (2003)**, with Guillermo Calvo, Policy Note No. 13, CERES, Montevideo, Uruguay.

**Sudden Stops, the Real Exchange Rate and Fiscal Sustainability: Argentina's Lessons (2003)** with Guillermo Calvo, Alejandro Izquierdo, published in Volbert Alexander, Jacques Mélitz, and George M. von Furstenberg (eds.), "*Monetary Unions and Hard Pegs: Effects on Trade, Financial Development, and Stability*", Oxford University Press and. NBER Working Paper 9828.

**"Lula Effect? Look Again!" (2002)**, with Guillermo Calvo, Policy Note No. 12, CERES, Montevideo, Uruguay.

**Is Dollarization Right For Central America? (2003)**, with Ernesto Stein, published in Levy Yeyati and Sturzenegger (eds.), "*Dollarization: Debates and Policy Alternatives*".

**Growth and External Financing in Latin America (2001)**, with Guillermo Calvo, Eduardo Fernández Arias, Carmen Reinhart, Inter American Development Bank, Presented at the Annual Meetings of the Board of Governors, Inter-American Development Bank.

## PUBLICATIONS (cont.)

**The Growth-Interest-Rate Cycle in the United States and its Consequences for Emerging Markets (2001)**, with Guillermo Calvo, Eduardo Fernández-Arias, Carmen Reinhart, Inter American Development Bank, Presented at the Annual Meetings of the Board of Governors, Inter-American Development Bank.

**Integration, Interdependence and Regional Goods: An Application to Mercosur, (2001)** with Afonso Bevilaqua and Marcelo Catena, *Journal of the Latin American and Caribbean Economic Association*, Vol 2, 153-205.

**Devaluation or Deflation: Adjustment Under Liability Dollarization? (2000)**, with Eduardo Fernández-Arias, Working Paper, CERES and Inter-American Development Bank, Washington D.C.. Presented at the International Economics and Finance Workshop, University of Maryland and Universidad del Pacífico.

**Fiscal Sustainability in Latin America (1999)**, with Carlos Végh (eds.), Inter-American Development Bank, Washington D.C.

**Institutional Arrangements and Fiscal Performance in Latin America (1999)**, with Ernesto Stein; in Poterba and Von Hagen (eds), "*Fiscal Institutions and Fiscal Performance*", University of Chicago Press, Chicago, Illinois.

**Macroeconomic Interdependences in Mercosur (1998)**, with Afonso Bevilaqua and Marcelo Catena, in ViewPoints, The World Bank.

**Fiscal Policy Sustainability: A Basic Framework" (1998)**, with Carlos Végh, in Talvi and Végh (eds), "*Fiscal Sustainability in Latin America*", Inter-American Development Bank, Washington D.C.

**Capital Inflows and Saving in Latin America and Asia: A Reinterpretation (1998)** , with Carmen Reinhart, *Journal of Development Economics*, vol. 552, 45-66.

**Exchange-Rate-Based Stabilization with Endogenous Fiscal Response (1997)**, *Journal of Development Economics*, vol. 54, 59-75.

**Saving, Growth and Macroeconomic Stability: Lessons from Asia and Latin America (1997)**," with M. Gavin and R. Hausmann, in Birdsall and Jaspersen (eds), "*The Development Experience of Latin America and Asia: A Comparative Study*", The John Hopkins University Press.

**Saving Behavior in Latin America Overview and Policy Issues (1997)**, with M. Gavin and R. Hausmann; in Hausmann and Reisen (eds), "*Promoting Savings in Latin America*", OECD, Paris.

**Managing Fiscal Policy in Latin America: Volatility, Procyclicality and Precarious Creditworthiness (1996)**, w/ M. Gavin, R. Hausmann and R. Perotti, Inter-American Development Bank, RES Working Paper 326.

**Fiscal Policy and the Business Cycle Associated with Exchange Rate-Based Stabilizations: Evidence from Uruguay (1995)**, Inter-American Development Bank, RES Working Paper 313.

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