

PHILIPPE BACCHETTA

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Education

Harvard University

Ph.D. in Economics, 1988. Thesis: "Restrictions on International Capital Flows"

M.A. in Economics, 1986

Université de Lausanne

M.S. in Economics, 1983

"Licence en sciences économiques" (B.A. in Economics), 1981

Research Interests

Open economy macroeconomics, monetary economics, international finance, financial crises

Present Positions

Honorary Professor of Economics, Université de Lausanne, 2025 –

Swiss Finance Institute Faculty Member, 2006 –

Research Fellow, Center for European Policy Research, London, 1996 –

Previous Positions

Professor of Economics, Université de Lausanne, 2008 –2025

Senior Chair, Swiss Finance Institute, 2013 –2025

Director, Study Center Gerzensee (Foundation of Swiss National Bank), 1998 – 2007
(Deputy Director, 1993-1997)

Associate Professor, Université de Lausanne, 1998 – 2008
(Visiting Professor, 1990-1991, 1994-1998)

Assistant Professor, Instituto de Análisis Económico (CSIC), Universitat Autònoma de Barcelona, 1991-1993

Assistant Professor, Escuela Superior de Administración y Dirección de Empresas (ESADE), Barcelona, 1989-1993

Assistant Professor, Brandeis University, USA, 1988-1989

Visiting Positions

Visiting Professor, The Graduate Institute, Geneva, 2014, 2021-2024, 2026; Paris School of Economics, 2011; Universität Freiburg, Germany, Winter 2006-07 and 2008-2009; Universitat Pompeu Fabra, Barcelona, Fall 2001; Université de Genève, 1999-2000; Universitat Autònoma de Barcelona, 1989-90 and 1992-93; Centro de Estudios Monetarios y Financieros, Banco de España, Madrid, 1990-1992

Visiting Scholar: Harvard University, 2003-2004; National Bureau of Economic Research, USA, July-Dec. 1997, 2003-2004; International Monetary Fund, weeks in 2001, 2002, 2004, 2006, 2008

Duisenberg Research Fellow, European Central Bank, Jan-Feb. 2010

Teaching Experience

Undergraduate courses: international economics and finance, macroeconomics, monetary economics, statistical methods for economists, European integration, topics in economic history

Graduate courses: international economics, macroeconomics, econometrics. Central bankers' courses in monetary economics. MBA and executive courses in international finance

Other Professional Activities

Fellow, European Economic Association, 2004 –

Member, Scientific Advisory Board, CREI, Universitat Pompeu Fabra, Barcelona, 1998 –

Previous Professional Activities

President, Swiss Society for Economics and Statistics, 2011 – 2014

Program Director, CEPR International Macroeconomics and Finance Program, 2015 – 2021

Member, Swiss National Research Council, 2013 – 2014

Panel Member, Advanced ERC Grants, 2022-2025

Academic consultant or lecturer, Federal Reserve Bank of New York, 1997, 2004; Bank of Finland, 2000; Hong Kong Institute of Monetary Research, 2008, 2012; Central Bank of Peru, 2011-2013, 2024, 2026; MAS Singapore, 2012; Czech National Bank, 2012; Banque de France, 2010-2012; Swiss National Bank, 2016, 2025-2026; BIS 2016; Riksbank, 2019-2020; Central Bank of Mongolia, 2022-2023; Central Bank of Tunisia, 2024; Central Bank of Columbia, 2025. Member, Advising Council, Servicio de Estudios, La Caixa, Barcelona, 2011 – 2016

Chairman, Economics Department, 2014 – 2020

Program Director, MScE, Université de Lausanne, 2009 – 2011

Associate Editor, *Journal of the European Economic Association*, 2003 – 2008; *Economie Internationale*, 2002 –; *Macroeconomic Dynamics*, 2009 –2012; Panel Member, *Economic Policy*, 2000-2001; Member, Editorial Board, *Spanish Economic Review*, 1997-2000; Member, Advisory Board, *Moneda y Credito*, 2000 – 2005

Research Affiliate, Instituto de Análisis Económico, Barcelona, 1994-1999; Associate, Center for International Affairs, Harvard University, 1987-1989

Council Member, European Economic Association, 2000-2004. Chairman, Economic Theory working group, Swiss Society of Economics and Statistics, 1999 – 2006, Team leader (CEPR), RTN 'The Analysis of International Capital Markets', 2000-2004. Member, Steering committee, CEPR - Macroeconomic of Global Interdependence group, 2005 –2015

Referee for many academic journals (*AER*, *QJE*, *JPE*, *REStud*, *Econometrica*, etc.). Referee European Research Council, Swiss National Foundation, National Science Foundation (USA), and other national evaluation agencies.

Direction of PhD theses (U. de Lausanne) and Master's theses (Brandeis U., ESADE, U. Autònoma de Barcelona, and U. de Lausanne). Member of doctoral thesis committees or external evaluator (London School of Economics, Cambridge U., U. de la Méditerranée, Aix-Marseille II, U. Autònoma de Barcelona, U. Complutense de Madrid, Helsinki University, U. Pompeu Fabra, U. of Konstanz, U. de Lausanne, U. of Bern, Stockholm School of Economics, EHESS Paris, HEID Geneva, Paris I)

Program chairman, EEA Annual Congress 2016. Deputy Chairman, Program Committee, 1995 EEA Annual Congress. Chairman, Program Committee, Simposio de análisis económico (annual congress for Spanish economists), 1991 and 1992. Organizer, European Summer Symposiums in Financial Markets and in Economic Theory (with CEPR), 1994-2008. Organizer, *Journal of Monetary Economics* conference, Gerzensee, 1998, 2000, 2002, 2006, 2008, 2010. Organizer and

co-editor, *Journal of International Economics* conference on Intranational Economics 1999. Organizer and co-editor, *Trans-Atlantic Public Economics Seminar (TAPES)*, 2000. Member, Program Committees: EEA Annual Congress, 1998, 1999, 2002, 2006, 2007, 2008, 2009, 2012, 2013, 2014; EFA Annual Congress 2006-2011, 2014-2024; Organizer of various CEPR conferences

Fellowships and Grants

Swiss National Fund, 2016-2019, 2021-2024
ERC Advanced Grant, 2011-2016
Fondation Banque de France, 2004-2006
Grants from the Spanish Ministry of Education and Science, 1990-95
Grant from the Instituto de Estudios Fiscales (Spanish Ministry of Finance), 1990-91
A.B. Salant Fellowship in Economics (Harvard University), 1985-86
Fulbright Grant, 1984-85

Personal

Born January 1, 1960, in Lausanne. Married with two children

Languages: Working knowledge of French, English, Spanish, and German

Seminars

Various seminars presented at academic institutions in the US, UK, Austria, Belgium, Canada, France, Germany, Czech Republic, Greece, Hong Kong, Italy, Japan, Lebanon, The Netherlands, Portugal, Russia, Singapore, Sweden, Switzerland, Spain, and Turkey. Seminars or keynote lectures presented at the Federal Reserve Banks of New York and Boston, European Central Bank, Bank of England, Banca d'Italia, Banco de España, Bank of Finland, Bank of Canada, Central Bank of Hungary, Bank of Norway, Bank of Mauritius, Central Bank of Turkey, Central Bank of Peru, Central Bank of Chile, Czech National Bank, Hong Kong Monetary Authority, Singapore Monetary Authority, Swiss National Bank, International Monetary Fund, and Bank for International Settlements.

Papers presented at Congresses of the Econometric Society (Barcelona, 1990, Boston, 1993, 2000, New Orleans, 1997, New York, 1999, San Diego, 2004, 2013, 2020, Philadelphia, 2018, Milan, 2020); annual EEA congress (Dublin, 1992, Helsinki, 1993, Prague, 1995, Istanbul, 1996, Berlin, 1998, Santiago de Compostela, 1999, Venice, 2002, Barcelona, 2009, 2023, Oslo, 2011, Mannheim, 2015, Geneva, 2016, Milan 2022); annual AEA congress (Washington, 2003, San Diego, 2004, Boston, 2006, Chicago, 2007, New Orleans, 2008, Denver 2011, San Francisco, 2016, 2025); Society of Economic Dynamics (Philadelphia, 2005, Montréal, 2010, Seoul, 2013, Toronto, 2014, Warsaw, 2015, Edinburgh, 2017, Mexico, 2018, Barcelona, 2024); annual EFA congress (Lugano, 2014, Barcelona 2022); numerous conferences and workshops organized by CEPR, NBER, IMF, BIS, central banks, etc.

Publications in Refereed Journals

"Offshore Dollar Funding Shocks and the Dollar Exchange Rate," *Journal of International Economics*, forthcoming (with Scott Davis and Eric van Wincoop)

"The International Transmission of Asset Market Shocks in Liquidity Traps," *Journal of International Economics*, forthcoming (with K. Benhima, Y. Kalantzis, and M. Phillot)

"CBDC as Imperfect Substitute for Bank Deposits: A Macroeconomic Perspective," *Journal of Money Credit and Banking*, forthcoming (with E. Perazzi)

"International Portfolio Choice with Frictions: Evidence from Mutual Funds," *Review of Financial Studies* 36, 4233-4270, 2023 (with S. Tièche, and E. van Wincoop)

"Infrequent Random Portfolio Decisions in an Open Economy Model," *Review of Economic Studies* 90, 1125-1154, 2023 (with E. van Wincoop and E. Young)

"The Rise in Foreign Currency Bonds: The Role of US Monetary Policy and Capital Controls," *Journal of International Economics*, 140, 103709, 2023 (with R. Cordonier and O. Merrouche)

- "Can Sticky Portfolios Explain International Capital Flows and Asset Prices?" *Journal of International Economics* 135, 103583, 2022 (with M. Davenport and E. van Wincoop)
- "Countercyclical Foreign Currency Borrowing: Eurozone Firms in 2007-2009," *Journal of Money, Credit, and Banking*, 54, 2022 (with O. Merrouche)
- "Understanding Swiss Real Interest Rates in a Financially Globalized World," *Swiss Journal of Economics and Statistics* 158, 16, 2022 (with K. Benhima and J.-P. Renne)
- "Puzzling Exchange Rate Dynamics and Delayed Portfolio Adjustment," *Journal of International Economics* 131, 103460, 2021 (with E. van Wincoop)
- "Money and Capital in a Persistent Liquidity Trap," *Journal of Monetary Economics* 116, 70-87, 2020 (with K. Benhima, and Y. Kalantzis)
- "Corporate Cash and Employment," *American Economic Journal: Macroeconomics* 1, 30-66, 2019 (with K. Benhima and C. Poilly)
- "Self-Fulfilling Debt Crises: Can Monetary Policy Really Help?" *Journal of International Economics* 110, 119-134, 2018 (with E. van Wincoop and E. Perazzi)
- "The Sovereign Money Initiative in Switzerland: An Economic Assessment," *Swiss Journal of Economics and Statistics* 154:3, 1-16, 2018
- "The Great Recession: A Self-Fulfilling Global Panic," *American Economic Journal: Macroeconomics*, 8(4), 177-198, 2016 (with E. van Wincoop)
- "The Demand for Liquid Assets, Corporate Saving, and International Capital Flows," *Journal of the European Economic Association* 13, 1101-1135, 2015 (with K. Benhima)
- "Optimal Exchange Rate Policy in a Growing Semi-Open Economy," *IMF Economic Review* 62, 48-76, 2014 (with K. Benhima and Y. Kalantzis)
- "On the Unstable Relationship between Exchange Rates and Macroeconomic Fundamentals," *Journal of International Economics* 91, 18-26, 2013 (with E. van Wincoop)
- "Capital Controls with International Reserve Accumulation: Can this Be Optimal?" *American Economic Journal: Macroeconomics* 5(3), 229-262, 2013 (with K. Benhima and Y. Kalantzis)
- "Sudden Spikes in Global Risk," *Journal of International Economics* 89, 511-521, 2013 (with E. van Wincoop)
- "Self-Fulfilling Risk Panics," *American Economic Review* 102, 3674-3700, December 2012 (with C. Tille and E. van Wincoop)
- "Regulating Asset Price Risk," *American Economic Review, Papers and Proceedings* 101, 410-412, May 2011 (with C. Tille and E. van Wincoop)
- "Infrequent Portfolio Decisions: A Solution to the Forward Discount Puzzle," *American Economic Review* 100, 837-869, 2010 (with E. van Wincoop)
- "Exchange Rate Volatility and Productivity Growth: The Role of Financial Development," *Journal of Monetary Economics* 56, 494-513, 2009 (with Ph. Aghion, R. Rancière, and K. Rogoff)
- "Predictability in Financial Markets: What Do Survey Expectations Tell Us?" *Journal of International Money and Finance* 28, 406-426, 2009 (with E. Mertens and E. van Wincoop)
- "Higher Order Expectations in Asset Pricing," *Journal of Money Credit, and Banking*, 40, 837-866, 2008 (with E. van Wincoop)
- "Random Walk Expectations and the Forward Discount Puzzle," *American Economic Review, Papers and Proceedings*, 97, 346-350, May 2007 (with E. van Wincoop)

"Can Information Heterogeneity Explain the Exchange Rate Determination Puzzle?" *American Economic Review*, 96, 552-576, 2006 (with E. van Wincoop)

"A Theory of the Currency Denomination of International Trade," *Journal of International Economics*, 67, 295-319, 2005 (with E. van Wincoop)

"A Corporate Balance-Sheet Approach to Currency Crises," *Journal of Economic Theory*, 119, 6-30, 2004 (with Ph. Aghion and A. Banerjee)

"A Scapegoat Model of Exchange Rate Fluctuations," *American Economic Review, Papers and Proceedings*, 94, 114-118, May 2004 (with E. van Wincoop)

"Financial Development and the Instability of Open Economies," *Journal of Monetary Economics* 51, 1077-1106, 2004 (with Ph. Aghion and A. Banerjee)

"Why Do Consumer Prices React less than Import Prices to Exchange Rates?" *Journal of the European Economic Association, Papers and Proceedings*, 1, 662-670, 2003 (with E. van Wincoop)

"Currency Crises and Monetary Policy in a Credit-Constrained Economy," *European Economic Review* 45, 1121-1150, 2001 (with Ph. Aghion and A. Banerjee)

"Does Exchange Rate Stability Increase Trade and Welfare?" *American Economic Review* 90, 1093-1109, 2000, lead article (with E. van Wincoop)

"Do Capital Market Imperfections Exacerbate Output Fluctuations?" *European Economic Review* 44, 449-468, 2000 (with R. Caminal)

"Exchange-of-Information Clauses in International Tax Treaties," *International Tax and Public Finance*, Vol. 7, No. 3, 275-294, May 2000 (with M.P. Espinosa)

"Trade in Nominal Assets and Net International Capital Flows," *Journal of International Money and Finance*, vol. 19, No. 1, 55-72, February 2000 (with E. van Wincoop)

"A Simple Model of Monetary Policy and Currency Crises," *European Economic Review, Papers and Proceedings*, 44, 728-738, 2000 (with Ph. Aghion and A. Banerjee)

"The Impact of Monetary Policy and Bank Lending: Some International Evidence," *Applied Financial Economics* 10, 15-26, 2000 (with F. Ballabriga)

"Consumption and Credit Constraints: International Evidence," *Journal of Monetary Economics* 40, 207-238, 1997 (with S. Gerlach)

"Firm Restructuring and the Optimal Speed of Trade Reform," *Oxford Economic Papers* 49, 291-306, 1997 (with H. Dellas)

"Exchange Rate Policy and Disinflation: The Spanish Experience in the ERM," *The World Economy*, vol. 20 No. 2, 221-238, March 1997

"Capital Controls and the Political Discount: The Spanish Experience in the Late 1980s," *Open Economies Review* 7, 349-369, 1996

"Information Sharing and Tax Competition among Governments," *Journal of International Economics* 39, 103-121, 1995 (with M.P. Espinosa)

"Sticky Import Prices and J-curves," *Economics Letters* 44, 281-285, 1994 (with S. Gerlach)

"A Note on Reserve Requirements and Public Finance," *International Review of Economics and Finance*, vol. 3, N° 1, 107-118, 1994 (with R. Caminal)

"Optimal Seigniorage and Financial Liberalization," *Journal of International Money and Finance*, Vol.11, N° 6, 518-38, 1992 (with R. Caminal)

"Liberalization of Capital Movements and of the Domestic Financial Sector," *Economica*, 59, 465-74, 1992

"Fiscal Deficits, Capital Controls, and the Dual Exchange Rate," *Revista Española de Economía*, Vol.9, No. 1, 31-51, 1992

"Temporary Capital Controls in a Balance-of Payments Crisis", *Journal of International Money and Finance*, Vol. 9, No. 3, 246-257, 1990

Other Publications in English

"On the Weakness of the Swedish Krona," *Sveriges Riksbank Economic Review*, 2021:1, 6-26 (with P. Chikhani)

"Is Swiss Public Debt Too Small?" in *Monetary Economics Issues Today – Festschrift in honour of Ernst Baltensperger*, Orell Füssli, 2017, 193-202.

"Corporate Saving in Global Rebalancing," in Raddatz, C., D. Saravia and J. Ventura (eds), *Global Liquidity, Spillovers to Emerging Markets and Policy Responses*. Santiago, Chile: Central Bank of Chile, 79-103, 2015 (with K. Benhima)

"Explaining Deviations from Uncovered Interest Parity," in G. Caprio (ed.), *Handbook of Financial Globalization*, vol. 3, Elsevier, 2012.

"Modeling Exchange Rates with Incomplete Information," in James, J., Marsh, I.W. and Sarno, L. (eds.), *Handbook of Exchange Rates*, Wiley, 2012 (with E. van Wincoop)

"Can Parameter Instability Explain the Meese-Rogoff Puzzle?" in *NBER International Seminar on Macroeconomics 2009*, 125-173, 2010 (with E. van Wincoop and T. Beutler)

"Trade Flows, Prices, and the Exchange Rate Regime," in *Revisiting the Case for Flexible Exchange Rates*, Bank of Canada conference, 213-231, 2000 (with E. van Wincoop)

"Capital Flows to Emerging Markets: Liberalization, Overshooting, and Volatility," in S. Edwards (ed.), *Capital Flows and the Emerging Economies – Theory, Evidence, and Controversies*, The University of Chicago Press, 61-98, 2000 (with E. van Wincoop)

"Capital Flows, Output Volatility, and Financial Crises in Emerging Markets," in *Governance, Equity and Global Markets – Proceedings of the Annual Bank Conference on Development Economics in Europe*, 573-578 (with Ph. Aghion and A. Banerjee)

"Financial Liberalization and Volatility in Emerging Market Economies," in P.R. Agénor, M. Miller, D. Vines, and A. Weber (eds.), *The Asian Financial Crises: Causes, Contagion and Consequences*, Cambridge University Press, 1999. p. 167-190. (with Ph. Aghion and A. Banerjee) Published under the wrong title "Capital Markets and the Instability of Open Economies"

"Spain and the Real Exchange Rate Problem," in C. Johnson and S. Collignon (eds.), *The Monetary Economics of Europe - Causes of the EMS Crisis*, Pinter Publishers, 18-32, 1994

"The Lessons from Fiscal Reform in Democratic Spain," in K. Mizsei (ed.), *Developing Public Finance in Emerging Market Economies*, Institute for East-West Studies, 183-202, 1994

"Abolishing Capital Controls in Spain: A Challenge for the 90s," in H. Gibson and E. Tsakalotos (eds.), *Economic Integration and Financial Liberalization: Prospects for Southern Europe*, MacMillan Press, 173-194, 1992

"National Saving and International Investment", in D. Bernheim and J. Shoven (eds.), *National Saving and Economic Performance*, University of Chicago Press, 1991 (with M. Feldstein)

"How Far Has the Dollar Fallen?" *Business Economics*, October 1987, 35-39 (with M. Feldstein)

Publications in Spanish

"Ahorro empresarial y rebalanceo global," *Economía Chilena*, Vol. 17, Nº2, August 2014 (with K. Benhima)

"Política monetaria con deuda denominada en moneda extranjera," *Moneda y Crédito*, No. 210, 69-105, 2000

"La desaparición de la peseta: aspectos macroeconómicos," in A. Mas-Colell and M. Motta (eds), *Nuevas Fronteras de la Política Económica*, CREI, 1998, 77-110 (with M. Sebastián)

"La relación ahorro-inversión en el proceso de integración económica y monetaria," *Papeles de Economía Española*, 70, 186-195, 1997 (with R. Martínez)

"Inversión regional y crecimiento en la comunidad europea," in J.M. Esteban y X. Vives (eds.), *Crecimiento y convergencia regional en España y Europa*, Vol. 2, Instituto de Análisis Económico, 405-449, 1994

"Transmisión de información fiscal entre gobiernos por motivos estratégicos," *Hacienda Pública Española*, 1994 (with M.P. Espinosa)

"Porque es necesaria una devaluación de la peseta," in J. Pérez-Campanero (ed.), *El tipo de cambio de la peseta ante el Mercado Único y la Unión Monetaria Europea*, Fedea y Ediciones Mundi-Prensa, Madrid, 47-62, 1992

"Es deseable la coordinación internacional de la imposición sobre el capital?," *Moneda y Crédito*, No. 192, 1991 (with R. Caminal)

"La política presupuestaria en la Unión Económica y Monetaria," *Papeles de Economía Española*, 48, 1991 (with R. Caminal)

"Ahorro, inversión y movilidad de capitales," *Moneda y Crédito*, No. 191, 13-40, 1990

"Política macroeconómica y mercado único," *Hacienda Pública Española*, April 1990. (with R. Caminal)

Edited volumes and journals

"Taxation of Financial Income," *Journal of Public Economics* 87, Jan. 2003. Edited with Roger Gordon

"Lessons of Intranational Economics for International Economics," *Journal of International Economics* 55, October 2001. Edited with Andy Rose and Eric van Wincoop

Economic Policy in Switzerland, Macmillan Press, 1997. Book edited with W. Wasserfallen

"Mercados y Tipos de Cambio," *Cuadernos Económicos de ICE* 53, 1993

Book reviews

Exchange Rate Dynamics, Martin D.D. Evans, Princeton University Press, 2011, *Journal of International Economics* 87, 112-113, 2012

Foreign Capital and Economic Transformation: Risks and Benefits of Free Capital Flows, by C. Buch, R. Heinrich, and C. Pierdzioch, 1999. *Economic Journal* 111, F160-161, 2001

International Capital Flows, Martin Feldstein (ed.), The University of Chicago Press, 1999. In *Journal of International Economics* 53, 235-237, 2000

Published comments

Corsetti, G., L. Dedola, and S. Leduc, "Optimal Monetary Policy and the Sources of Local-Currency Price Stability," in J. Gali and M. Gertler (eds.) *International Dimensions of Monetary Policy*, Chicago University Press, 2009

Illing, G., "Financial Fragility, Bubbles, and Monetary Policy," in H.W. Sinn et al. (eds.) *European Monetary Integration* MIT Press, 169-171, 2004

Calvo, G., "Política Económica en Mercados Emergentes, Vulnerabilidad Financiera, Contagio y Miedo a Flotar," *Moneda y Crédito* 212, 51-53, 2001

Unpublished papers

"Foreign Exchange Intervention with UIP and CIP Deviations," second R&R, *Review of Economic Studies* (with K. Benhima and B. Berthold)

"Cross-Country CIP Deviations," March 2026, (with E. van Wincoop)

"Dollar Funding Fragility and non-US Global Banks Dollar Funding Fragility and non-US Global Banks," July 2025, (with S. Davis and E. van Wincoop)

"Monetary Policy with Foreign Currency Debt," mimeo. December 1999

"Regional Investment and Growth in the European Community," Discussion Paper No. 257-94, Universitat Autònoma de Barcelona, 1994

"Liquidity Constraints, Banks and the Real Effects of Monetary Policy," Working Paper, Fundación Banco Bilbao Vizcaya, December 1993 (with R. Caminal)

"Reducing the Implicit Taxation on the Spanish Banking System: Who Gains and who Loses," ESADE working Paper No. 88, October 1992 (with R. Caminal)

"Prévisions trimestrielles: une méthode pour l'économie suisse", Centre de recherches économiques appliquées, Université de Lausanne, Working Paper, February 1984

"The 'Créa' Macroeconometric Model of Switzerland's Economy", DEEP, Université de Lausanne, Working Paper No. 9210, October 1982 (with J.C. Lambelet and L.F. Campero)