

# INSTITUTO TECNOLÓGICO AUTÓNOMO DE MÉXICO

## SYMPOSIUM

### ***“Optimal Monetary Institutions for México”***

*Sponsored by:*

*FEMSA*

*Grupo BAL*

*Grupo Financiero Bancomer*

December 3-4, 1999

Auditorio Campus Santa Teresa

Av. Camino a Santa Teresa #930, México, D.F.

### **Program**

Please note that the time allocated to speakers will be 45 minutes for the presentation of the paper by the authors, and 15 minutes for each discussant

#### **Friday December 3**

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| 9:00          | <b>Opening address</b><br>Alejandro Hernández-Delgado, <i>ITAM</i><br>Héctor Rangel-Domené, <i>Bancomer</i>  |
| 9:30 – 10:15  | Alan C. Stockman, <i>University of Rochester</i><br><b>“Optimal Central Bank Areas, Financial Intermediation, and Mexican Dollarization”</b><br><i>Discussants:</i><br>Thomas Cooley, <i>University of Rochester</i><br>Jesús Marcos-Yacamán, <i>Banco de México</i> |
| 10:15 – 11:30 | Barry Eichengreen, <i>University of California at Berkeley</i><br><b>“When To Dollarize?”</b><br><i>Discussants:</i><br>Guillermo Calvo, <i>University of Maryland</i><br>Julio Santaella, <i>ITAM</i>   |
| 11:30 – 11:45 | Coffee Break   |

- 11:45 – 13:00 Marco Del Negro and Francesc Obiols, *ITAM*  
**“Has Monetary Policy Been So Bad That It Is Better to Get Rid of It? The Case of Mexico”**  
*Discussants:*  
 Christopher Sims, *Princeton University*  
 Alejandro Werner, *Banco de México*
- 13:00 – 14:00 Lunch
- 14:00 – 15:15 Charles Engel, *University of Washington*  
**“Should Mexico Dollarize? Answering Some Traditional Questions with a Modern Approach”**  
*Discussants:*  
 Barry Eichengreen, *University of California at Berkeley*  
 Manuel Sánchez, *Bancomer*
- 15:15 – 16:30 Enrique Mendoza, *Duke University*  
**“Credit-Market Frictions, Policy-Credibility and the Business Cycle of Emerging Markets”**  
*Discussants:*  
 Martín Uribe, *University of Pennsylvania*  
 Moisés Schwartz, *Banco de México*
- 16:30 – 16:45 Coffee Break
- 16:45 – 18:00 Ross Levine and Maria Carkovic, *University of Minnesota*  
**“How Much Bang for the Buck? Mexico and Dollarization”**  
*Discussants:*  
 Timothy Kehoe, *University of Minnesota*  
 Everardo Elizondo, *Banco de México*

#### **Saturday December 4**

- 8:30 – 9:45 George J. Borjas, *Harvard University*  
**“Dollarization and the Mexican Labor Market”**  
*Discussants:*  
 Stephanie Schmitt-Grohé, *Rutgers University*  
 Gerardo Esquivel, *Colegio de México*
- 9:45 – 11:00 Guillermo Calvo, *University of Maryland*  
**“Capital Markets and the Exchange Rate- With Special Reference to the Dollarization Debate in Latin America”**  
*Discussants:*  
 Alan Stockman, *University of Rochester*  
 Francisco Gil-Díaz, *Avantel*
- 11:00 – 11:15 Coffee Break

- 11:15 – 12:30 Bruce Smith, Valerie Bencivenga, *University of Texas at Austin*  
and Elisabeth Huybens, *ITAM*  
**“Dollarization and the Integration of International Capital Markets: A  
Contribution to the Theory of Optimal Currency Areas”**  
*Discussants:*  
Ross Levine, *University of Minnesota*  
Alejandro Reynoso, *Banco de México*
- 12:30 – 13:45 Andrew K. Rose, *University of California at Berkeley*  
**“One Money, One Market: Estimating the Effect of Common  
Currencies on Trade”**  
*Discussants:*  
Charles Engel, *University of Washington*  
Jaime Serra, *SAI*
- 13:45 – 14:45 Lunch
- 14:45 – 16:00 Christopher A. Sims, *Princeton University*  
**“Fiscal Consequences for Mexico of Adopting the Dollar”**  
*Discussants:*  
Bruce Smith, *University of Texas at Austin*  
Miguel Messmacher, *Secretaría de Hacienda y Crédito Público*
- 16:00 – 17:15 Thomas F. Cooley, *University of Rochester* and  
Vincenzo Quadrini, *Duke University*  
**“The Costs of Losing Monetary Policy Independence: The Case of Mexico”**  
*Discussants:*  
Larry Christiano, *Northwestern University*  
Armando Baqueiro, *Banco de México*
- 17:15 – 17:30 Coffee Break
- 17:30 – 18:45 Stephanie Schmitt-Grohe, *Rutgers University*  
and Martín Uribe, *University of Pennsylvania*  
**“Stabilization Policy and the Costs of Dollarization”**  
*Discussants:*  
Enrique Mendoza, *Duke University*  
Carlos Noriega, *Secretaría de Hacienda y Crédito Público*