1. Record Nr. UNINA9910970782303321

| | |
|---|---|
| Autore | Lama Ruy |
| Titolo | Accounting for Output Drops in Latin America / / Ruy Lama |
| Pubbl/distr/stampa | Washington, D.C. : , : International Monetary Fund, , 2009 |
| ISBN | 9786612842887<br>9781462330553<br>146233055X<br>9781451872149<br>1451872143<br>9781451991307<br>1451991304<br>9781282842885<br>1282842889 |
| Edizione | [1st ed.] |
| Descrizione fisica | 49 p. : ill |
| Collana | IMF Working Papers |
| Soggetti | Business cycles - Latin America<br>Business forecasting - Latin America<br>Bonds<br>Business cycles<br>Capacity<br>Capital and Total Factor Productivity<br>Cost<br>Economic forecasting<br>Economic growth<br>Economic theory & philosophy<br>Economic Theory<br>Financial Economics<br>Financial frictions<br>General Financial Markets: General (includes Measurement and Data)<br>Income economics<br>Industrial productivity<br>Investment & securities<br>Investments: Bonds<br>Labor economics<br>Labor Economics: General<br>Labor<br>Labour<br>Macroeconomics |

| | |
|---|---|
| | Prices, Business Fluctuations, and Cycles: General (includes Measurement and Data)<br>Production and Operations Management<br>Production<br>Total factor productivity<br>Argentina |
| Lingua di pubblicazione | Inglese |
| Formato | Materiale a stampa |
| Livello bibliografico | Monografia |
| Note generali | Bibliographic Level Mode of Issuance: Monograph |
| Nota di bibliografia | Includes bibliographical references. |
| Nota di contenuto | Intro -- Contents -- I. Introduction -- II. Benchmark Small Open Economy Model -- III. Quantitative Analysis -- A. Calibration and Estimation -- B. Simulation: Accounting for Output Drops in Latin America -- IV. Sensitivity Analysis -- A. High Risk Aversion Coefficient -- B. No Adjustments Costs -- C. Variable Capital Utilization -- V. Concluding Remarks -- Appendices -- A. Benchmark Small Open Economy Model -- B. Equivalence between Wedges and Theoretical Models -- C. Data Sources -- References -- Figures -- 1. Detrended GDP per capita in Latin American Economies -- 2. TFP, Labor Wedge, Capital Wedge, and Bond Wedge -- 3. Effect of TFP on GDP -- 4. Effect of Labor Wedge on GDP -- 5. Labor Wedge, Model Prediction, and Real Interest Rate -- 6. Effect of Capital Wedge on GDP -- 7. Effect of Bond Wedge on GDP -- 8. Sensitivity Analysis -- Tables -- 1. Calibrated Parameters -- 2. Parameters of Stochastic Processes -- 3. Contributions to Output Drops -- 4. Properties of Wedges -- 5. Model Predictions. |
| Sommario/riassunto | This paper evaluates what type of models can account for the recent episodes of output drops in Latin America. I develop an open economy version of the business cycle accounting methodology (Chari, Kehoe, and McGrattan, 2007) in which output fluctuations are decomposed into four sources: total factor productivity (TFP), a labor wedge, a capital wedge, and a bond wedge. The paper shows that the most promising models are the ones that induce fluctuations of TFP and the labor wedge. On the other hand, models of fnancial frictions that translate into a bond or capital wedge are not successful in explaining output drops in Latin America. The paper also discusses the implications of these results for policy analysis using alternative DSGE models. |