Jaime Leyva

Contact Information

Paris School of Economics
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Born in 1992

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Citizenship:Colombian and French

Research Interests

Macro-Finance, International Economics, Capital Flows.

Education

Paris School of Economics,

Ph.D. Candidate, Economics, 2016-Present (Expected 2021)

- Advisor: Prof. Antoine d'Autume and Prof. Nuno Coimbra
- Thesis committee: Prof. Jean Imbs and Prof. Cathérine Doz

M.S., Economics, major in Macroeconomics (Ranking 4/64), 2014-2016

Université Paris 1 Panthéon-Sorbonne,

B.S., Economics and Econometrics, 2011-2013

Professional Experience

Société Générale Intern — 2016, 4 months

Economic Research Department,
Project: The main task I developed during this internship was to create a forecasting model for Real Exchange Rates. I also had to follow the main Macroeconomic issues in Asia and Latin America to provide country risk analysis.

International Monetary Fund, PhD Internship — 2019

Western Hemisphere Department,
Project: Policy responses to sudden stops in capital flows.
Project supervisors: Carlos Gonçalves and Antonio David

Teaching Experience

Université Paris 1 Panthéon-Sorbonne — 2016-present

TA, Microeconomics, Undergraduate, Prof. Francis Bloch, 1 Semester
TA, Macroeconomics, Undergraduate, Prof. Jean-Olivier Hairault, 1 Semester
TA, Open Macroeconomics,Graduate, Prof. Bertrand Wigniolle, 8 Semesters
TA, Econometrics, Undergraduate, Prof. Catherine Doz, 2 Semester
TA, Applied Econometrics in R, Graduate, 1 semester

Working Papers

Sudden Stops: Consequences, Asymmetries and Policy Implications, (Job Market Paper) 2020

Boom-Bust Cycles in International Capital Flows and Fiscal Policy, 2019 with Carlos Gonçalves and Antonio David

Sudden Stop Types and External Balance Sheet Structure , 2019

Structural Change and the Global Financial Cycle in International Banking Flows, 2018

Work in Progress

Changing Volatility in Gross Capital Flows and Extreme Events. 2018

International Banking Flows, The Global Financial Cycle and Local Developments. 2017

Additional courses attended during PhD and Activities

PSE Summer School in macroeconomics (2017)

Econometrics Methods (Monte Carlo simulations) (2017)

Information and Expectation in Macroeconomics (2018)

Bayesian Macroeconometrics, Professor Marco del Negro (April 2018)

Scientific Programming (2019)

Organizer Macro Workshop seminar, internal seminar at PSE (2017-2020)

Dynare Summer School (2021)

Awards

PhD Grant, Paris School of Economics and Université Paris 1.

Computer Skills

Julia, Python, R, Matlab, Bloomberg.

Languages

Spanish (Native), English (Fluent), French (Native)

References

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Working Papers with abstract

Sudden Stops: Consequences, Asymmetries and Policy Implications, 2020 JMP

Sudden stops are times in which countries that are heavily dependent on foreign resources experience a substantial decline in capital inflows, resulting in a negative impact on economic activity. We use propensity score methods with local projections to identify sudden stops triggered by shocks exogenous to macroeconomic outcomes and measure their dynamic effect. Our findings show that sudden stops more impactful effects are due one year after the start of the episode, and we estimate a GDP growth loss of 9.2% two years later. We also show that inverse propensity weighting with regression adjustment provides a better identification of sudden stop cost compared with linear regression estimation. Afterward, we analyze state-dependent reactions to sudden stops that intensify the cost magnitude and alter their dynamic path based on ex-ante characteristics to the crisis. We find that sudden stops episodes preceded by capital inflow booms are more painful than those without them, different allocations of foreign banking debt or total debt across sectors determine the potential damage of an external crisis, and high dependence on short-term debt increases their cost. These nonlinearities raise new challenges that should be taken into account by policymakers when designing policy responses to a large fall in capital inflows.

Boom-Bust Cycles in International Capital Flows and Fiscal Policy, 2019 with Carlos Gonçalves and Antonio David

High global liquidity periods are associated with booming business cycles around the globe, but classic sudden stop dynamics start when this trend is reversed. We study the impact of fiscal policy response to sudden stops in a framework that endogenously enables for the real / financial boom-bust cycles that countries experience in different global liquidity transitions. Effectiveness of fiscal policy intervention during sudden stops depend on the capacity of the government to release the financial constraint during times of crisis. This ability is extremely linked to the magnitude of the financial friction in the collateral constraint and the share of non-tradable goods purchased by the government with respect to the share consumed by the private sector. Based on this two key parameters, the expansionary fiscal policy can be welfare improving or not. Lastly, we provide some experiments for some emerging markets in well-known sudden stop periods and show the quantitative implications of fiscal policy interventions depending on the structure of government expenditure between tradable and non-tradable goods.

Sudden Stop Types and External Balance Sheet Structure, 2019

In the 1990s significant falls in gross capital inflows became net flows decreases (Classic Sudden Stop). However, the upward trend in financial openness has resulted in a higher proportion of foreign assets in the domestic investor portfolio, raising their ability to provide global liquidity during sudden stops in gross inflows (Prevented Sudden Stop). We measure the dynamic average treatment effect of classic and prevented sudden stops on macroeconomic aggregates and show that classic episodes are more costly than prevented ones. Therefore, we examine how the potential capacity to prevent sudden stops in net flows is related to the structure and composition of external balance sheets. We find that countries with a large amount foreign assets (net creditors) have a higher capacity to repatriate their foreign holdings during decreases in gross inflows. With regard to the composition of foreign assets and liabilities, we find that debt positions play an important role in assessing the transition from a classic episode to a prevented one, while equity positions are not significant. We also show that the importance of foreign debt positions is driven by other investment assets (loans and deposits), which are a very volatile component of foreign borrowing. Finally, our study also shows that countries more likely to experience classic sudden stops held a bigger share of reserves over GDP. This suggests that countries where the local investor does not play the role of marginal investor, it is the government/central banks that are preparing to fight sudden stop episodes.

Structural Change and the Global Financial Cycle in International Banking Flows, 2018

The Great Financial Crisis of 2008 revived interest in understanding how global economic and financial shocks generate significant capital flow movements. We measure the changing importance of global shocks to explain international banking flow fluctuations, and show that the structural change in financial openness and financial development during the last decades is related to their time-varying reaction to push factors. Using a Dynamic Factor Model with time-varying parameters for a panel of developed and developing countries, we prove that developing countries have experienced a strong increase in the sensitivity to global shocks, while the developed ones have more stable exposures. Estimation methods not taking into account the structural break between the effect of the global factor and cross-border banking flows are going to underestimate the importance of global shocks. Finally, using a cointegration analysis we prove that the higher importance of global shocks is related with a higher level of financial openness, while greater levels of financial development are negatively related to them.