
Perspectives on teaching international macroeconomics and finance: is there more consensus in the 2000s?

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Abstract

This paper surveys the current state of teaching in international macroeconomics and finance. After collecting graduate international macroeconomics syllabi taught by international economists in the leading US economics departments between 2001 and 2005, I study whether there is consensus on selected topics and articles in this field. It is shown that there seems more agreement on which topics should be taught and which articles should be deemed most essential.

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Perspectives on Teaching International Macroeconomics and Finance: Is There More Consensus in the 2000s?

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1 Introduction

According to the preface in Obstfeld and Rogoff (1996), Professor Alan Deardorff of the University of Michigan conducted a survey on teaching materials for graduate courses in international macroeconomics. In 1990, Deardorff collected reading lists from eight leading economics departments and found that there was strikingly little consensus on what should be taught in this field. It surprised him that only one article appeared on more than half the reading lists. It is also indicated in Obstfeld and Rogoff (1996) that there is no unified approach to the field of international macroeconomics. Teaching materials were found to make no mention of microfoundations, as instruction in open economy macroeconomics had fallen behind the developments of closed economy macroeconomics. Furthermore, in the 1990s, most articles studied in international finance courses were written in the 1960s and 1970s.

It may therefore be of interest to update our knowledge of the current state of this field, one decade on. In this paper, I discuss such questions as: What is the mainstream theme of international macroeconomics now? Is a unified approach applied to the teaching of international macroeconomics? Most importantly, is there consensus on which articles are deemed most essential in the 2000s?

2 Sample

For this study, I collected graduate international macroeconomics syllabi taught by international economists in the leading US economics departments between 2001 and 2005.

There are 36 reading lists in total; a list of instructors, schools, course numbers, and years is presented in Tables 1 and 2. There is no doubt that this is a limited survey. First, all the syllabi were obtained from the Internet. I do not include courses for which syllabi are not available on the Internet or that allow only limited access (when a password is needed). Furthermore, I focus only on US universities. Nevertheless, the sample syllabi should be representative because the international economists whose syllabi I collected are respected in the field of international macroeconomics as well as teaching in leading US research universities.

A first glance at these syllabi suggests an interesting fact about this field: there is as yet no consensus about the title for these courses. A variety of names are used for the course, set out in Table 3. Although the traditional term, “international finance”, is still the most commonly used name for the course, “international macroeconomics”, the second most used name, is becoming increasingly popular. This shift may reflect greater emphasis being placed on the macroeconomic aspects of international economics than on the traditional financial aspects, as this field now focuses on both real and monetary models.

3 Textbooks

I now turn the attention to which textbook is most recommended for these courses. Books are ranked by number of citations and reported in Table 4. As there is no competitive alternative, it is not surprising that Obstfeld and Rogoff (1996) dominates the textbook market a decade since it was published in 1996. This book is cited as required or recommended reading in more than two thirds of the reading lists. The second-ranked book was written by Nelson Mark (2001). Mark (2001) places greater emphasis on empirical study and econometric methods. Therefore, these two books combine perfectly for instructors who seek to balance their lectures between theoretical models and empirical studies. As noted by Charles Engel in his syllabus:

“...[t]he books are complementary. Obstfeld and Rogoff focus more heavily on theory with some discussion of empirical findings, and vice versa in Mark.”

Two books fell into third place. The first is Frenkel and Razin (1996), the first edition of which was published in 1987. This was one of the first books to attempt an investigation of open economy macroeconomics with an intertemporal approach and microfoundations. The focus of this book is, however, limited with regard to fiscal policies such as government spending, budget deficits, and international differences in taxation. The other third-

ranked book is the Handbook of International Economics edited by Grossman and Rogoff (1995), which is clearly a reference book rather than a textbook.

4 Topics

Most instructors have mentioned in the syllabi that the materials covered in their syllabi provide only limited coverage of international macroeconomics and finance. Hence, the topics chosen by instructors reflect their own preference. This section investigates whether there is any agreement on which topics should be included in the course. As more than two thirds of the instructors use Obstfeld and Rogoff (1996) as their main textbook, the corresponding chapter in Obstfeld and Rogoff (1996) [OR] for a specific topic is also reported. Tables 5 to 8 show the topics that are cited by more than two instructors.

The list of topics chosen raises some interesting points. First, four out of the thirty-five topics appear on more than half of the reading lists: New Open Economy Macroeconomics, Complete Market Models (The Intertemporal Approach to the Current Account), Models of Currency Crises, and Optimizing Monetary Models (Flexible Price Models). This may suggest that there is greater consensus on which topics should be selected in this field than there was a decade ago.

The most commonly taught topic now in international macroeconomics is New Open Economy Macroeconomics (NOEM). Following the seminal paper by Obstfeld and Rogoff (1995), NOEM refers to the growing body of literature that attempts to address open economy issues in a dynamic general equilibrium version of the open economy with nominal rigidities. Grounded in intertemporal optimization and microfoundations, it has become a new paradigm replacing the traditional ad hoc Mundell–Fleming model. Being the second place of the top ranked topics, the topics Complete Market Models and Optimizing Monetary Models cover basic real and monetary optimizing models.

Due to many recent experiences with currency crises in emerging markets, models of currency crises, financial crises, and speculative attacks are once again attracting attention in economics research. Furthermore, almost all important research areas in international macroeconomics are motivated by empirical puzzles. Among these puzzles, the Purchasing Power Parity Puzzle is the one most frequently included in the reading lists.

It is clear from the syllabi that ad hoc models such as the Mundell–Fleming and Dornbusch–Mundell–Fleming models are taught less frequently nowadays. In many cases in the reading lists, they form the background reading in preparation for models with microfoundations. Finally, Target Zone Exchange Rate Models now seem to be outdated. Since the seminal paper by Krugman (1991), target zone models have been widely applied

to explain exchange rate behaviors. There is, however, little empirical evidence supporting target zone models. Hence, the description “a beautiful theory killed by ugly facts” may explain why fewer instructors select this topic for their courses.

In Table 9, I also report other topics that are cited only once in all the reading lists, which may reveal the variety of instructors’ tastes.

5 Articles

Although it is shown that instructors may have achieved more consensus on which topics should be chosen for the course, it is not clear whether there is agreement on which article should be deemed most essential for a specific topic. There is a total of 879 articles on all the reading lists, of which 79 % are journal articles and 21% are working papers. Figure 1 plots the distribution of all the readings. More papers (7.96%) were published in 2000 than in any other year. More than two thirds of the papers were published after 1995 (65.64%). Table 10 provides a summary of where these 879 articles were published. About half of the papers were published in one of the following journals: *Journal of International Economics* (9.56%), *American Economic Review* (8.30%), *Journal of Monetary Economics* (7.17%), *Journal of Political Economy* (5.57%), *Quarterly Journal of Economics* (3.87%), *European Economic Review* (3.75%), *Journal of Finance* (2.84%), *IMF Staff Papers* (2.73%), *Journal of International Money and Finance* (2.16%), *Journal of Economic Perspectives* (1.93%), *Journal of Money, Credit and Banking* (1.82%), *Brookings Papers on Economic Activity* (1.82%), and *The Economic Journal* (1.82%).

Finally, the authorship of these readings is reported in Table 11. The most frequently cited author is Maurice Obstfeld, who wrote 46 of the 879 papers (5.23%). The other leading authors are Kenneth Rogoff (4.66%), Lars E.O. Svensson (3.07%), Guillermo Calvo (2.73%), Patrick Kehoe (2.73%), Charles Engel (2.16%), Andres Velasco (2.16%), and Michael Dooley (1.71%).

The 123 most cited papers are reported in Tables 12 to 16.¹ One of the most cited papers is Lucas (1982), which appeared in 22 of the 36 reading lists. Using a cash-in-advance constraint, Lucas (1982) provides a rigorous theoretical framework for exchange rate determination in a flexible-price environment with dynamic general equilibrium analysis. Another candidate for most-cited paper is Backus, Kehoe and Kydland (1992,1995), as Backus et al. (1992) and Backus et al. (1995) are very similar papers. The 1995 paper is an updated and extended version of the 1992 paper; these two papers are cited a total of (15 + 10) 25 times. These papers present a two-country real business cycle model with

¹A complete list is available upon request.

trade, and compare the predictions to the data on correlations of real variables across countries and variance of terms of trade. Although they are simply an open-economy version of real business cycle models, they are not cited only on the topic of *International Real Business Cycles*. Some instructors refer to these two papers when teaching the topics of *Complete Market Models* and *Consumption Correlation Puzzles*.² Furthermore, with a complete review of the salient properties of international business cycles, these papers have also been included in the Introduction/Overview of the stylized facts of international business cycles.

Krugman (1979) is the next most cited paper. This is a classical piece of work on currency crises and is well known as the “first-generation model.” Obstfeld and Rogoff (2001) summarizes the six most important puzzles in international macroeconomics and proposes that trade costs may play an important role in explaining the puzzles. Dornbusch (1976) provides a dynamic but deterministic Mundell–Fleming model. It is an old fashioned ad hoc model used to present the so-called overshooting result, which helps to explain how the exchange rate is more volatile than the underlying economic fundamentals.

A very thorough survey of the purchasing power parity puzzle is provided by Rogoff (1996) whereas Engel (1999) is highly influential in explaining the US real exchange rate. Engel (1999) shows that fluctuations in relative prices of nontradable goods contribute almost nothing to fluctuations in the real exchange rate. Obstfeld and Rogoff (1995)’s Redux model has established a foundation for the topic of *New Open Economy Macroeconomics*, while Chari et al. (2002) calibrates a modified Redux model to study real exchange rate volatility and persistency. It is worth noting that although *New Open Economy Macroeconomics* is the most commonly taught topic, Obstfeld and Rogoff (1995) has been cited less frequently, as many instructors use Chapter 10 of the Obstfeld and Rogoff (1996) book as the main reading. Finally, Engel and Rogers (1993) investigates the deviations of the law of one price regarding the border effect. The paper shows empirically with gravity regression that the trade across the US–Canadian border is less than that among the states within the US and Canada.

In summary, there are four articles, Backus et al. (1992)/Backus et al. (1995), Krugman (1979), Dornbusch (1976) and Obstfeld and Rogoff (2001), that appear on more than half the reading lists. This suggests that there is a little more consensus on which readings should be taught in international macroeconomics and finance courses.

²In the data, outputs are more correlated across countries than consumption: the Backus, Kehoe, and Kydland (1992,1995) model, however, predicts the opposite.

6 Caveats

As mentioned above, this paper is a limited survey and focuses on the graduate courses of international finance in US universities. The results are not universally applicable. For instance, reading lists in the UK would provide a different perspective. A rigorous and long-standing textbook by Paul Hallwood and Ronald MacDonald (Professor of International Finance at University of Glasgow) may receive more citations in UK reading lists. Therefore, it would be of interest in future research to extend the sample by including reading lists from other countries such as Australia, Canada and the UK, and then conduct a cross-country comparison.

Moreover, my focus is on international finance courses taught in departments of economics. Hence, it is not surprising that there is a tendency among lecturers to put greater emphasis on the macroeconomic aspects of international economics rather than the traditional financial aspects. However, the international finance courses taught in business schools, which emphasize the microeconomics of exchange rates and derivative markets, are increasing in volume and sophistication. A worthy topic of further investigation would be to study the discrepancies and commonalities between the two disciplines.

7 Concluding Remarks

This paper investigates the current state of teaching in international macroeconomics and finance. It is shown that regarding the selection of topics and readings in the 2000s, there seems to be substantial agreement on which topics should be taught and which articles are deemed most essential.

Figure 1: The Distribution of Readings

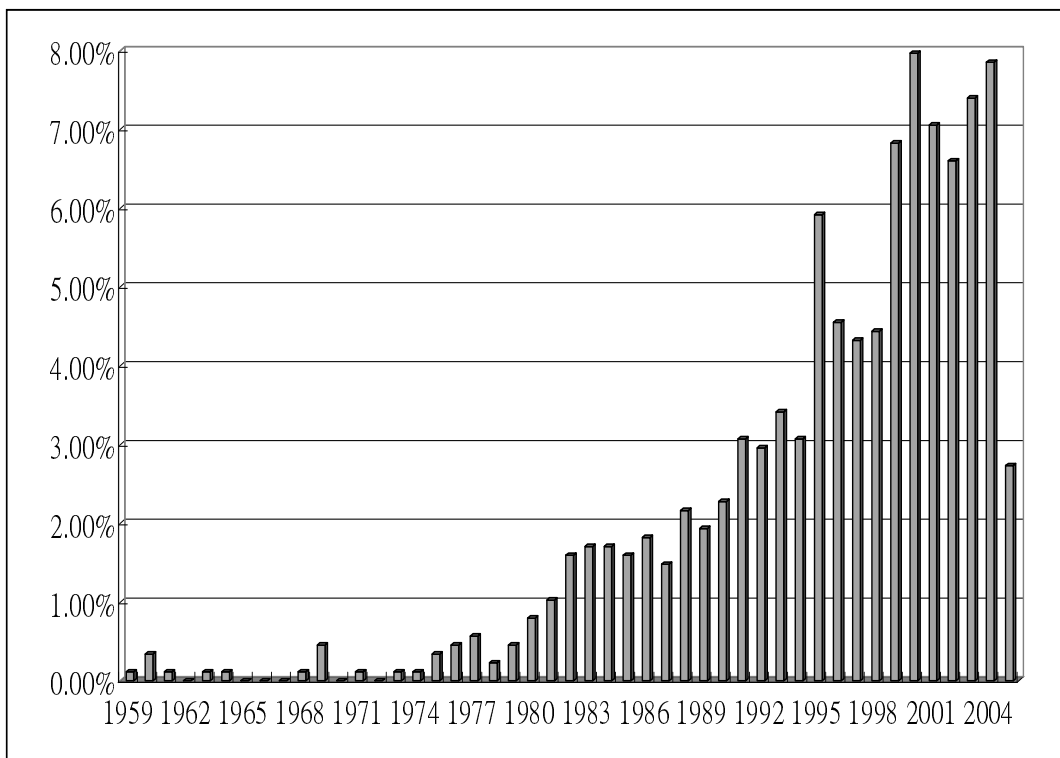


Table 1: Reading Lists

Instructor	School	Course Number	Year
Aizenman, Joshua	UC-Santa Cruz	Econ 241A	2004
Arellano, Cristina	Minnesota	Econ 8481	2004
Atkeson, Andrew	UCLA	Econ 282c	2005
Backus, Dave	NYU	Econ B06.3386.20	2004
Benigno, Pierpaolo	Columbia	Econ G6809	2005
Bergin, Paul R.	UC-Davis	Econ 260D	2005
Black, Stanley	UNC-Chapel Hill	Econ 262	2005
Bohn, Henning	UC-Santa Barbara	Econ 280B	2005
Burstein, Ariel	UCLA	Econ 282	2004
Chang, Roberto	Princeton	Econ 554	2004
Chinn, Menzie D.	Kiel Institut	Econ	2005
Crucini, Mario J.	Vanderbilt	Econ 317	2004
Dooley, Michael	UC-Santa Cruz	Econ 241C	2004
Edmond, Chris	Melbourne	Econ 316-632	2004
Engel, Charles	UW-Madison	Econ 872	2005
Evans, Martin	Georgetown	Econ 642	2004
Fitzgerald, Doireann	UC-Santa Cruz	Econ 241B	2005
Hale, Galina	Yale	Econ 724b	2005
Husted, Steven	Pittsburgh	Econ 2510	2001
Hutchison, Michael M.	UC-Santa Cruz	Econ 241A	2003
Jermann, Urban (with Bernard Dumas)	U Penn (Wharton)	Finance 933	2003
Kletzer, Ken	Stanford	Econ 265	2002
Lambertini, Luisa	Boston College	Econ 872.01	2004
Obstfeld, Maurice	UC-Berkeley	Econ 280c	2005

Table 2: Reading Lists (Continue)

Instructor	School	Course Number	Year
Perri, Fabrizio (with Pierpaolo Benigno)	NYU	Econ B06.3386.20	2001
Peterson, Brian	Indiana	Econ 629	2003
Razin, Assaf	Cornell	Econ 762	2004
Rogoff, Kenneth	Harvard	Econ 2530b	2004
Stockman, Alan C.	Rochester	Econ 510	2002
Svensson, Lars	Princeton	Econ 554	2005
Tesar, Linda	Michigan	Econ 642	2005
Tornell, Aaron	UCLA	Econ 282A-1	2004
Uribe, Martin	Duke	Econ 366	2005
Vegh, Carlos A	UCLA	Econ 281B	2005
Velasco, Andres	Harvard	ITF 346	2004
Wright, Mark L.J.	Stanford	Econ 265	2003

Table 3: Course Names

International Finance	14
International Macroeconomics	8
Open Economy Macroeconomics	3
International Macroeconomics and Finance	3
International Monetary Theory and Policy	2
International Monetary Economics	2
International Economics	1
International Monetary Theory	1
Exchange Rate Economics	1

Table 4: Textbooks

Book	Author/Editor	Number of Citations
Foundations of International Macroeconomics	M. Obstfeld and K. Rogoff (1996)	26
An Introduction to the Theory and Empirical Methods of International Macroeconomics and Finance	N. Mark (2001)	8
Handbook of International Economics (vol. 3)	G. Grossman and K. Rogoff (1995)	7
Fiscal Policies and Growth in the World Economy	J. Frenkel and A. Razin (1996)	7
Development Macroeconomics	P. Agenor and P. Montiel (1999)	4
Open Economy Macroeconomics	R. Dornbusch (1980)	3
Handbook of International Economics (vol. 2)	R. Jones and P. Kenen (1985)	3
Recursive Macroeconomic Theory	L. Ljungqvist and T. J. Sargent (2000)	2
Lectures on Macroeconomics	O. Blanchard and S. Fischer (1989)	2
International Economics	R. Mundell (1968)	2
International Money and Finance	C. P. Hallwood and R. MacDonald (2000)	2
The International Money Market	G. Dufey and I. Giddy (1994)	1
Globalization and the International Financial System	P. Isard (2005)	1
Global Capital Markets: Integration, Crisis, and Growth	M. Obstfeld and A. M. Taylor (2004)	1
Open Economy Macroeconomics in Developing Countries	C. A. Vegh (forthcoming)	1
Real Exchange Rates, Devaluation, and Adjustment	S. Edwards (1989)	1
Interest and Prices	M. Woodford (2003)	1
International Finance and Financial Crises :		
Essays in Honor of Robert P. Flood, Jr	P. Isard, A. Razin, and A. Rose (2000)	1
Labor, Capital, and Finance, International Flows	A. Razin and E. Sadka (2001)	1
International Macroeconomic Dynamics	S. Turnovsky (1997)	1
Asset Pricing	J. Cochrane (2001)	1
The Econometrics of Financial Markets	J. Campbell, A. Lo, and C. MacKinlay (1996)	1
Asset Pricing under Asymmetric Information	M. Brunnermeier (2001)	1
The Microstructure Approach to Exchange Rates	R. K. Lyons (2001)	1

Table 5: Common Topics

Topic (related topics)	OR Chapter	Number of Citations
(1) New Open Economy Macroeconomics	10	24
(2) Complete Market Models The Intertemporal Approach to the Current Account Optimizing Models of the Current Account	1; 2; 3; 4	23
(3) Models of Currency Crises Speculative Exchange Rate Attacks	8.4.2–8.4.3; 8.6; 9.5.4	23
(4) Optimizing Monetary Models (flexible price models) The Lucas Model	8.1, 8.2, 8.4.1	21
(5) Purchasing Power Parity Puzzle		15
(6) Mundell–Fleming (M–F) and Dornbusch–M–F and overshooting	9.2; 9.3	14
(7) Incomplete Market Models	5; 6	13
(8) Reputation and Debt Sovereign Debt Lending Under Imperfect Enforcement Sovereign Risk	6.1	10

Table 6: Common Topics (continue)

Topic (related topics)	OR Chapter	Number of Citations
(9) International Real Business Cycles		9
(10) The Home Bias Puzzle		8
(11) Exchange Rate Regimes		7
(12) Consumption Risk Sharing Consumption Correlation Puzzle		5
(13) Feldstein–Horioka Puzzle		5
(14) Currency Unions	9.1–9.4	5
(15) Financial Globalization New and Older Views on International Adjustment Financial Integration, Globalization, and World Income International Financial Architecture		5

Table 7: Common Topics (continue)

Topic (related topics)	OR Chapter	Number of Citations
(16) Exchange Rate Target Zones	8.5–8.6	5
(17) Fiscal Policy in the Open Economy Exchange Rate Determination and Fiscal Policy Monetary-Fiscal Interactions in Open Economies Tax Policy and the Current Account		5
(18) Capital Flows, Debt Maturity and Banks Asymmetric information/ Capital flows		5
(19) International Macroeconomic Policy Coordination and Exchange Rates International Monetary Policy Cooperation	9.5.5	4
(20) Liquidity Models Monetary Models with Limited Participation		4
(21) Uncovered Interest Parity Puzzle		4
(22) Stabilization Policies		4
(23) Capital Controls		3

Table 8: Common Topics (continue)

Topic (related topics)	OR Chapter	Number of Citations
(24) The Exchange Rate Disconnect Puzzle		3
(25) Nontraded Goods and the Real Exchange Rate		3
(26) Sustainability of Developing Countries' Debts	6.4	2
(27) Recent New Classical Open-economy Models of Monetary Policy and the Transmission Mechanism	9.2, 10.1, 10.2	2
(28) The Zero Bound, Liquidity Traps and Deflation in Open Economies		2
(29) The Backus–Smith Puzzle		2
(30) The Monetary Approach to the Balance of Payments		2
(31) Credit Frictions and Sudden Stops in Open Economies		2
(32) Portfolio Balance Models of Exchange Rate Determination	8.7	2
(33) Efficiency of the Foreign Exchange Market		2
(34) The International Monetary System		2
(35) Foreign Exchange Intervention and Signaling	8B, 8.7.6	2

Table 9: Other Topics

The Mussa Puzzle	International Trade and International Prices
Income–Current Account Puzzle	Cagan Hyperinflation Model
Pattern of Trade and Nontraded Goods	Real Exchange Rate and Large Devaluations
Expenditure Switching and Real Exchange Rate under Sticky Prices	Forward Rates
Inflation and Exchange Rate Depreciation	Time Inconsistency
Money Models with Microfoundations (Search model)	Models of Currency Substitution
Supply-Side Hypothesis of Currency Devaluations	Effect of Segmentation
Foreign Exchange Risk Premium	International CAPM
Financial Frictions and Open Economy Macroeconomics	New Micro Models
Risk and Welfare	Optimal Monetary Policy
Trade Costs	Growth and Global Linkages
Empirics, Forecasting and Policy	Trade and Growth
Trade and Exchange Rates	Specialization and Development
Debt Management Policy	Black Markets and Equilibrium
Central Bank Credibility and Secular Inflation in Open Economies	Optimal Exchange Rate Policy
International Corporate Finance	Investor Recognition of Corporate Multinationalism

Table 10: Journal List

Journal	Number of articles	Percentage
Journal of International Economics	84	9.56%
American Economic Review	73	8.30%
Journal of Monetary Economics	63	7.17%
Journal of Political Economy	49	5.57%
Quarterly Journal of Economics	34	3.87%
European Economic Review	33	3.75%
Journal of Finance	25	2.84%
IMF Staff Papers	24	2.73%
Journal of International Money and Finance	19	2.16%
Journal of Economic Perspectives	17	1.93%
Journal of Money, Credit and Banking	16	1.82%
Brookings Papers on Economic Activity	16	1.82%
The Economic Journal	16	1.82%
Review of Economic Studies	15	1.71%
International Economic Review	13	1.48%
Journal of Economic Theory	10	1.14%
Econometrica	9	1.02%
Review of Financial Studies	9	1.02%
Handbook of International Economics	9	1.02%
NBER Macroeconomics Annual	9	1.02%
Journal of Economic Dynamics and Control	8	0.91%
Journal of Economic Literature	8	0.91%
Journal of Development Economics	7	0.80%
Carnegie-Rochester Conference Series on Public Policy	7	0.80%

Table 11: Author List

Journal	Number of articles	Percentage
Maurice Obstfeld	46	5.23%
Kenneth Rogoff	41	4.66%
Lars E.O. Svensson	27	3.07%
Guillermo Calvo	24	2.73%
Patrick Kehoe	24	2.73%
Charles Engel	19	2.16%
Andres Velasco	19	2.16%
Michael Dooley	15	1.71%
Aaron Tornell	14	1.59%
Roberto Chang	13	1.48%
Jeffrey Frankel	13	1.48%
Andrew Rose	13	1.48%
Carlos Vegh	13	1.48%
Peter Garber	12	1.37%
David Backus	11	1.25%
Rudiger Dornbusch	11	1.25%
Sergio Rebelo	11	1.25%
Carmen Reinhart	11	1.25%
Giancarlo Corsetti	10	1.14%
Robert Flood	10	1.14%
Mark Gertler	10	1.14%
Enrique Mendoza	10	1.14%
Assaf Razin	10	1.14%
Alan Stockman	10	1.14%
Eric Van Wincoop	10	1.14%

Table 12: Most Cited Articles

Author	Paper	Journal	Number of Citations
Lucas (1982)	Interest Rates and Currency Prices in a Two-Country World	Journal of Monetary Economics	22
Krugman (1979)	A Model of Balance of Payments Crises	Journal of Money, Credit and Banking	18
Obstfeld/Rogoff (2000)	The Six Major Puzzles in International Macroeconomics: Is There a Common Cause?	NBER Macroeconomics Annual	18
Rogoff (1996)	The Purchasing Power Parity Puzzle	Journal of Economic Literature	17
Dornbusch (1976)	Expectations and Exchange Rate Dynamics	Journal of Political Economy	16
Engel (1999)	Accounting for US Real Exchange Rate Changes	Journal of Political Economy	16
Obstfeld/Rogoff (1995)	Exchange Rate Economics Redux	Journal of Political Economy	16
Backus/Kehoe/Kydland (1992)	International Real Business Cycles	Journal of Political Economy	15
Chari/Kehoe/McGrattan (2002)	Can Sticky Price Models Generate Volatile and Persistent Real Exchange Rates?	Review of Economic Studies	14
Engel/Rogers (1996)	How Wide Is the Border?	American Economic Review	14
Obstfeld/Cole (1991)	Commodity Trade and International Risk Sharing: How Much Do Financial Markets Matter?	Journal of Monetary Economics	13
Mendoza (1991)	Real Business Cycles in a Small Open Economy	American Economic Review	12
Bulow/Rogoff (1989)	Sovereign Debt: Is to Forgive to Forget?	American Economic Review	11
Eaton/Fernandez (1995)	Sovereign Debt	Handbook of International Economics	11
Kehoe/Perri (2002)	International Business Cycles with Endogenous Incomplete Markets	Econometrica	11
Morris/Shin (1998)	Unique Equilibrium in an Model of Self-Fulfilling Currency Attacks	American Economic Review	11
Obstfeld/Rogoff (2000)	New Directions for Stochastic Open Economy Models	Journal of International Economics	11
Stockman/Tesar (1995)	Tastes and Technology in a Two-Country Model of the Business Cycle: Explaining International Comovements	American Economic Review	11
Backus/Kehoe/Kydland (1995)	International Business Cycles: Theory and Evidence	Frontiers of Business Cycle Research	10
Backus/Smith (1993)	Consumption and Real Exchange Rates in Dynamic Economies with Non-Traded Goods	Journal of International Economics	10
Bulow/Rogoff (1989)	A Constant Recontracting Model of Sovereign Debt	Journal of Political Economy	10
Feldstein/Horioka (1980)	Domestic Savings and International Capital Flows	Economic Journal	10
Flood/Garber (1984)	Collapsing Exchange Rate Regimes: Some Linear Examples	Journal of International Economics	10
Froot/Rogoff (1995)	Perspectives on PPP and Long-Run Real Exchange Rates	Handbook of International Economics	10
Kaminsky/Reinhart (1999)	The Twin Crises: The Causes of Banking and Balance of Payments Problems	American Economic Review	10

Table 13: Most Cited Articles (continue)

Author	Paper	Journal	Number of Citations
Lewis (1996)	What Can Explain the Apparent Lack of International Consumption Risk Sharing?	Journal of Political Economy	10
Obstfeld (1994)	The Logic of Currency Crises	Cahiers Economiques et Monetaires	10
Alvarez/Atkeson/Keohoe (2002)	Money, Interest Rates, and Exchange Rates With Endogenously Segmented Asset Markets	Journal of Political Economy	9
Baxter/Crucini (1993)	Explaining Savings-Investment Correlations	American Economic Review	9
Baxter/Crucini (1995)	Business Cycles and the Asset Structure of Foreign Trade	International Economic Review	9
Eaton/Gersovitz (1981)	Debt with Potential Repudiation: Theoretical and Empirical Analysis	Review of Economic Studies	9
Lewis (1999)	Trying to Explain Home Bias in Equities and Consumption	Journal of Economic Literature	9
Meese/Rogoff (1983)	Empirical Exchange Rate Models of the Seventies: Do They Fit Out of Sample?	Journal of International Economics	9
Mussa (1986)	Nominal Exchange Rate Regimes and the Behavior of Real Exchange Rates: Evidence and Implications	Carnegie-Rochester Series on Public Policy	9
Obstfeld/Rogoff (1995)	The Intertemporal Approach to the Current Account	Handbook of International Economics	9
Obstfeld (1996)	Models of Currency Crises with Self-Fulfilling Features	European Economic Review	9
Backus/Keohoe/Kydland (1994)	Dynamics of the Trade Balance and the Terms of Trade: The J-Curve?	American Economic Review	8
Baxter (1995)	International Trade and Business Cycles	Handbook of International Macroeconomics	8
Baxter/Jermann (1997)	The International Diversification Puzzle is Worse than You Think	American Economic Review	8
Betts/Devereux (2000)	Exchange Rate Dynamics in a Model of Pricing-To-Market	Journal of International Economics	8
Corsetti/Giancarlo/Pesenti (2001)	Welfare and Macroeconomic Interdependence	Quarterly Journal of Economics	8
Goldberg/Knetter (1997)	Goods Prices and Exchange Rates: What Have We Learned?	Journal of Economic Literature	8
Krugman (1996)	Are Currency Crises Self-Fulfilling?	NBER Macroeconomics Annual	8
Schmitt-Grohe/Uribe (2003)	Closing Small Open Economy Models	Journal of International Economics	8
Calvo (1987)	Balance of Payments Crises in a Cash-in-Advance Economy	Journal of Money, Credit and Banking	7
Devereux/Engel (2003)	Monetary Policy in the Open Economy Revisited: Price Setting and Exchange-Rate Flexibility	Review of Economic Studies	7
Kletzer/Wright (2000)	Sovereign Debt as Intertemporal Barter	American Economic Review	7
Kraay/Ventura (2000)	Current Accounts in Debtor and Creditor Countries	Quarterly Journal of Economics	7
Lane (2002)	The New Open Economy Macroeconomics: A Survey	Journal of International Economics	7
Lewis (1995)	Puzzles in International Financial Markets	Handbook of International Economics	7

Table 14: Most Cited Articles (continue)

Author	Paper	Journal	Number of Citations
Mark (1995)	Exchange Rates and Fundamentals: Evidence on Long-Horizon Predictability	American Economic Review	7
Obstfeld (1986)	Rational and Self-Fulfilling Balance-of-Payments Crises	American Economic Review	7
Obstfeld (1994)	Risk-Taking, Global Diversification, and Growth	American Economic Review	7
Stockman (1987)	The Equilibrium Approach to Exchange Rates	Fed-Richmond, Economic Review	7
Tesar (1991)	Savings, Investment and International Capital Flows	Journal of International Economics	7
Aguair/Gita (2004)	Emerging Market Business Cycles: The Cycle is the Trend	NBER wp 10734	6
Calvo (1998)	Capital Flows and Capital-Market Crises: The Simple Economics of Sudden Stops	Journal of Applied Economics	6
Céspedes/Chang/Velasco (2004)	Balance Sheets and Exchange Rate Policy	American Economic Review	6
Chang/Velasco (2000)	Financial Fragility and the Exchange Rate Regime	Journal of Economic Theory	6
Chang/Velasco (1999)	Liquidity Crises in Emerging Markets: Theory and Policy	NBER Macroeconomics Annual 1999	6
Chang/Velasco (2001)	A Model of Financial Crises in Emerging Markets: A Canonical Model	Quarterly Journal of Economics	6
Clarida/Gali/Gertler (2001)	Optimal Monetary Policy in Open versus Closed Economies: An Integrated Approach	American Economic Review	6
Cole/Keohoe (1996)	A Self-Fulfilling Model of Mexico's 1994–95 Debt Crisis	Journal of International Economics	6
Cole/Keohoe (2000)	Self-Fulfilling Debt Crises	Review of Economic Studies	6
Fama (1984)	Forward and Spot Exchange Rates	Journal of Monetary Economics	6
French/Poterba (1991)	Investor Diversification and International Equity Markets	American Economic Review	6
Glick/Rogoff (1995)	Global Versus Country-Specific Productivity Shocks and the Current Account	Journal of Monetary Economics	6
Grilli/Roubini (1992)	Liquidity and Exchange Rates	Journal of International Economics	6
Mendoza (1995)	The Terms of Trade, the Real Exchange Rate, and Economic Fluctuations	International Economic Review	6
Obstfeld/Rogoff (2002)	Global Implications of Self-Oriented National Monetary Rules	Quarterly Journal of Economics	6
Obstfeld/Rogoff (2004)	The Unsustainable US Current Account Revisited	NBER wp 10869	6
Sachs (1982)	The Current Account in the Macroeconomic Adjustment Process	Scandinavian Journal of Economics	6
Atkeson, A. (1991)	International Lending with Moral Hazard and Risk of Repudiation	Econometrica	5
Baxter/Urban/King (1998)	Nontraded Goods, Nontraded Factors, and International Non-diversification	Journal of International Economics	5
Betts/Devereux (1996)	The Exchange Rate in a Model of Pricing-to-Market	European Economic Review	5
Burstein/Eichenbaum/Rebelo (2005)	Large Devaluations and the Real Exchange Rate	Journal of Political Economy	5
Burstein/Neves/Rebelo (2003)	Distribution Costs and Real Exchange Rate Dynamics During Exchange-Rate-Based Stabilizations	Journal of Monetary Economics	5

Table 15: Most Cited Articles (continue)

Author	Paper	Journal	Number of Citations
Caballero/Krishnamurthy (2001)	International and Domestic Collateral Constraints in a Model of Emerging Market Crises	Journal of Monetary Economics	5
Chari/Keohoe (2003)	Hot Money	Journal of Political Economy	5
Cole (1988)	Financial Structure and International Trade	International Economic Review	5
Eichenbaum/Evans (1995)	Some Empirical Evidence on the Effects of Shocks to Monetary Policy on Exchange Rates	Quarterly Journal of Economics	5
Frankel/Rose (1996)	Currency Crashes in Emerging Markets: An Empirical Treatment	Journal of International Economics	5
Heathcote/Perri (2004)	Financial Globalization and Real Regionalization	Journal of Economic Theory	5
Lane/Milesi-Ferretti (2004)	The External Wealth of Nations: Measures of Foreign Assets and Liabilities for Industrial and Developing Nations	Journal of International Economics	5
Lane/Milesi-Ferretti (2005)	Financial Globalization and Exchange Rates	IMF Working Paper 05/03 (January).	5
Sachs (1981)	The Current Account and Macroeconomic Adjustment in the 1970s	Brookings Papers on Economic Activity	5
Stockman (1980)	A Theory of Exchange Rate Determination	Journal of Political Economy	5
Svensson/Razin (1983)	The Terms of Trade and the Current Account: The Harberger–Laursen–Metzler Effect	Journal of Political Economy	5
Svensson (1985)	Currency Prices, Terms of Trade and Interest Rates: A General Equilibrium Asset Pricing, Cash-in-Advance Approach	Journal of International Economics	5
Tesar/Werner (1995)	Home Bias and High Turnover	Journal of International Money and Finance	5
Atkesona/Rios-Rull (1996)	The Balance of Payments and Borrowing Constraints: An Alternative View of The Mexican Crisis	Journal of International Economics	4
Acemoglu/Ventura (2002)	The World Income Distribution	Quarterly Journal of Economics	4
Alvarez/Atkeson (1997)	Money and Exchange Rates in the Grossman–Weiss–Rotemberg Model	Journal of Monetary Economics	4
Backus, D. K. (1993)	Interpreting Comovements in the Trade Balance and the Terms of Trade	Journal of International Economics	4
Benigno/Benigno (2003)	Price Stability in Open Economies	Review of Economic Studies	4
Bergin/Feenstra (2001)	Pricing-to-Market, Staggered Contracts, and Real Exchange Rate Persistence	Journal of International Economics	4
Bergin/Glick (2003)	Endogenous Tradability and Macroeconomic Implications	NBERwp 9739	4
Burnside/Eichenbaum/Rebelo (2001)	Prospective Deficits and the Asian Currency Crisis	Journal of Political Economy	4
Calvo (1986)	Temporary Stabilization: Predetermined Exchange Rates	Journal of Political Economy	4
Calvo/Reinhart (2002)	Fear of Floating	Quarterly Journal of Economics	4
Chari/Keohoe/McGrattan (1997)	Monetary Shocks and Real Exchange Rates in Sticky Price Models of International Business Cycles	NBER wp 5816	4

Table 16: Most Cited Articles (continue)

Author	Paper	Journal	Number of Citations
Dornbusch (1983)	Real Interest Rates, Home Goods, and Optimal External Borrowing	Journal of Political Economy	4
Dumas (1992)	Dynamic Equilibrium and the Real Exchange Rate in a Spatially Separated World	Review of Financial Studies,	4
Eichengreen/Rose/Wyplosz (1995)	Exchange Market Mayhem: The Antecedents and Aftermath of Speculative Attacks	Economic Policy	4
Eichengreen/Rose/Wyplosz (1996)	Contagious Currency Crises	NBER wp 5681	4
Engel (2000)	Long-run PPP May Not Hold After All	Journal of International Economics	4
Engel/West (2005)	Exchange Rates and Fundamentals	Journal of Political Economy	4
Engel (2002)	Expenditure Switching and Exchange Rate Policy	NBER Macroeconomics Annual 2002	4
Frenkel/Razin (1986)	Fiscal Policies in the World Economy	Journal of Political Economy	4
Garber/Svensson (1995)	The Operation and Collapse of Fixed Exchange Rate Regimes	Handbook of International Economics, vol. 3	4
Gourinchas/Rey (2004)	International Financial Adjustment	working paper	4
Gourinchas/Jeanne (2003)	The Elusive Gains from International Financial Integration	NBER WP9684	4
Krugman (1991)	Target Zones and Exchange Rate Dynamics	Quarterly Journal of Economics	4
Lewis (2000)	Why do Stocks and Consumption Imply Such Different Gains from International Risk Sharing?	Journal of International Economics	4
Neumeier/Perri (2004)	Business Cycles in Emerging Economies: The Role of Interest Rates	forthcoming Journal of Monetary Economics	4
Obstfeld (2001)	International Macroeconomics: Beyond the Mandell-Fleming Model	IMF Staff Papers 47 (also NBER wp 8369)	4
Obstfeld/Rogoff (1995)	The Mirage of Fixed Exchange Rates	Journal of Economic Perspectives	4
Reinhart/Rogoff (2004)	The Modern History of Exchange Rate Arrangements: A Reinterpretation	Quarterly Journal of Economics	4
Rogoff (2002)	Dornbusch's Overshooting Model After Twenty-Five Years	IMF Staff Papers 49, Special Issue	4
Rose (2002)	One Reason Countries Pay their Debts: Renegotiation and International Trade	NBER wp 8853	4
Schlagenhaut/Wrase (1995)	Liquidity and Real Activity in a Simple Open Economy Model	Journal of Monetary Economics	4
Svensson (1992)	An Interpretation of Recent Research on Exchange Rate Target Zones	Journal of Economic Perspectives	4
Svensson (1988)	Trade in Risky Assets	American Economic Review	4

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