

Diego Calderón

CONTACT INFORMATION	International Monetary Fund 700 19th Street NW Washington DC, United States	Phone: +1 (202) 327 14 67 Email: dcalderon@imf.org Website: www.diego-calderong.com
EMPLOYMENT	International Monetary Fund Economist (EP), Western Hemisphere Department	2023 -Present
PAST WORK EXPERIENCE	Bank of England Ph.D. Internship, Prudential Policy Directorate (PPD)	2021
	University of Warwick Research assistant to Professor Roger E. A. Farmer Research assistant to Professor Marija Vukotic	2020 2017
	National Institute of Economic and Social Research (NIESR) Visitor, Research Division.	2019
	The World Bank Consultant, Development Research Group, Poverty and Inequality Unit.	2013-2016
	Universidad Mayor, Santiago, Chile Research assistant to Andres Solimano.	2015-2016
EDUCATION	University of Warwick, Coventry, United Kingdom Ph.D. in Economics, 2023 Advisors: Roger E. A. Farmer, Herakles Polemarchakis, and Pablo Beker. MRes. in Economics, 2018	
	Universidad de Chile, Santiago, Chile M.Sc. in Economic Analysis, 2014 B.A. in Economics, 2013	
RESEARCH INTERESTS	Macroeconomics, International Economics, Economic Theory.	
WORKING PAPERS	“Self-fulfilling Beliefs, Terms-of-trade Dynamics, and Economic Welfare” [Link] Abstract: I study an open economy overlapping generations model in which large transitory shocks can generate permanent changes in economic welfare. When traded goods are poor substitutes, the model displays multiple equilibria: this creates the possibility of self-fulfilling fluctuations. This is important for researchers interested in international business cycles because the same transitory shock can have either transitory or permanent effects, depending on agents beliefs. I solve this model using a non-trivial application of Negishis method. This method allows me to describe equilibria using a low-order dynamical system that depends on the number of countries rather	

than the number of goods. In numerical simulations, I show that large and transitory endowment shocks can cause a shift from one equilibrium to another. Shifts of this kind are associated with large and persistent fluctuations in the terms of trade and the real exchange rate, as well as substantial and long-lasting welfare effects.

“Keynesian Search during the U.S. Great Depression” (with Roger E. A. Farmer) [[Link](#)]

Abstract: Using historical data from the U.S during the Great Depression we use Bayesian techniques to estimate and compare three model specifications discussed in Farmer (2021). One specification corresponds to a Real Business Cycle (RBC) model driven by productivity shocks. The other two specifications are labelled Keynesian Search models as they display a continuum of non-stochastic steady-state unemployment rates (or steady-state indeterminacy) and are driven by shocks to beliefs. In the first Keynesian Search model, beliefs about investment expenditure follow an exogenous process. In the second, beliefs about the value of the stock market follow an exogenous process. The empirical results show that both Keynesian Search specifications outperform the RBC model in fitting the data. Among the Keynesian Search models, data favour the first specification. This result suggests that an effective way to restore full employment in the aftermath of the Great Depression in the U.S was to replace private investment with public investment.

WORK IN
PROGRESS

“Natural Interest Rates in Inflation Targeting Emerging Markets” (with Sandesh Dhungana and Daniel Wales). Featured in [October 2024 REO: WHD](#).

POLICY WORK

Dominican Republic: 2024 Article IV Staff Report. IMF Country Report No. 24/294 International Monetary Fund. [[Link](#)]

- Annex VI: Explaining the Growth Slowdown and Recent Inflation Dynamics.
- Annex VIII: Closing Key Labor Market Gender Gaps in the Dominican Republic.
- Annex XI: Natural Real Interest Rates in the Dominican Republic.
- Annex XIII. Drivers of Potential Growth in the Dominican Republic.

PUBLICATIONS

“The Copper Sector, Fiscal Rules, and Stabilization Funds In Chile: Scope And Limits” (with Andrs Solimano) in *Extractive Industries*, edited by Tony Addison and Alan R. Roe. Oxford University Press, 2018. [[Link](#)]

TEACHING
EXPERIENCE

University of Warwick:

- Macroeconomics 2 (UG, 2018-2021). Professors Roberto Pancrazi and Federico Rossi.
- Topics in Global Finance (M.Sc., 2019, 2020, 2021). Professor Liliana Varela (2019) and Vasiliki Dimakopoulou and Fatih Kansoy.

Universidad de Chile (UG):

- Development Economics (Fall, 2013, 2014). Professor Jorge Katz
- Development Economics (Spring, 2013). Professors Roberto Álvarez and Claudia Martínez
- Economic Policy (Spring, 2013). Professor Guillermo Larraín
- Economic Policy (Fall, 2012, 2013). Professor Joseph Ramos
- Welfare Economics (Fall, 2013). Professors Javier Núñez and Graciela Pérez

AFFILIATIONS

Centre for Research in Economic Theory and its Applications (CRETA)

PRESENTATIONS

2024: SAET (Santiago); 2023: IEA (Medellin), EEA-ESEM (Barcelona); 2017: IEA (Mexico City).

HONOURS AND
AWARDS

Department of Economics Scholarship, University of Warwick.
M.Sc. Fellowship, Department of Economics, Universidad de Chile, 2013.
Third Distinction, Final Comprehensive Examination (*Examen de Grado*), B.A. in Economics, Universidad de Chile.

SKILLS

Matlab, Dynare, Stata, L^AT_EX, R.

LANGUAGES

English (Fluent), Spanish (Native).

PERSONAL
INFORMATION

Citizenship: Chilean.
Date of Birth: November 27, 1989.