

## **JULIEN BENGUI**

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### **EDUCATION**

Ph.D. Economics, University of Maryland, College Park, expected May 2012  
M.A. Quantitative Economics and Finance, University of St.Gallen, Switzerland, November 2005

### **DISSERTATION**

*“Essays in Financial Market Imperfections and Macro-Prudential Policy”*  
Committee: Prof. Anton Korinek (Co-Chair), Prof. Enrique Mendoza (Co-Chair),  
Prof. John Shea, Prof. Carlos Vegh

### **FIELDS OF SPECIALIZATION**

Primary: Macroeconomics, International Finance  
Secondary: Banking, Monetary Economics

### **PAPERS**

“Macro-Prudential Policy Coordination and Global Regulatory Spillovers,” (Job Market Paper)  
*Presentations: Federal Reserve Bank of New York, Federal Reserve Board (scheduled)*  
“Systemic Risk and Inefficient Debt Maturity”  
*Presentations: 2011 European Meeting of the Econometric Society, Bank for International Settlements, 2011 American Economic Association Annual Meeting, 2010 Latin American and Caribbean Economic Association Annual Meeting, 2010 ECB-CFS Conference on Macro-Prudential Issues*  
“A Theory-Based Measure of Cross-Country Differences in Financial Development,” with Enrique Mendoza and Vincenzo Quadrini (in progress, for *April 2012 Carnegie-Rochester Conference on Public Policy*)  
“Consumption Baskets and Currency Choice in International Borrowing,” with Ha Nguyen (in progress)  
“Segmented Prudential Regulation and Systemic Risk: Spillovers and Amplification” (in progress)

### **TEACHING EXPERIENCE**

*Teaching Assistant*, International Macroeconomics with Incomplete Markets and Financial Frictions, UMD, Spring 2010 (PhD Level, taught by Prof. Enrique Mendoza)  
*Instructor*, Money and Banking, UMD, Winter 2010  
*Teaching Assistant*, Globalization and Capital Markets, UMD, Fall 2009  
*Teaching Assistant*, Financial Markets and the Macroeconomy, UMD, Spring 2009  
*Teaching Assistant*, Money and Banking, UMD, Fall 2008  
*Teaching Assistant*, Mathematics for Economic Analysis, UMD, Spring 2008  
*Teaching Assistant*, Principles of Macroeconomics, UMD, Fall 2007

### **RESEARCH EXPERIENCE**

*Dissertation Intern*, Federal Reserve Bank of New York, Summer 2011  
*Research Assistant* for Prof. Enrique Mendoza, Fall 2009, Spring 2010, Spring 2011  
*Research Assistant* for Prof. Anton Korinek, Spring 2009  
*Research Assistant*, Swiss National Bank, Research Department, Zurich, April 2006 to June 2007

## AWARDS

Anne G. Wylie Dissertation Fellowship, Graduate School, University of Maryland, 2011  
Summer Research Fellowship, Graduate School, University of Maryland, 2010  
1<sup>st</sup> prize Fellowship for best third-year paper, Department of Economics, University of Maryland, 2010  
Summer Research Fellowship, Department of Economics, University of Maryland, 2010  
Janggen-Poehn Foundation Scholarship (Swiss private foundation), 2008  
Graduate Assistantship, University of Maryland, 2007-present

## REFERENCES

Prof. Anton Korinek	University of Maryland	<a href="mailto:akorinek@umd.edu">akorinek@umd.edu</a>	(301) 405-4536
Prof. Enrique Mendoza	University of Maryland	<a href="mailto:mendozae@econ.umd.edu">mendozae@econ.umd.edu</a>	(301) 405-3548
Prof. Carlos Vegh	University of Maryland	<a href="mailto:vegh@econ.umd.edu">vegh@econ.umd.edu</a>	(301) 405-3546

## THESIS ABSTRACT

*Part I: Macro-Prudential Policy Coordination and Global Regulatory Spillovers.* (Job Market Paper)

This paper analyzes the extent to which achieving the financial stability objective of banking regulation requires international policy coordination. A two-country model of systemic liquidity risk-taking is studied, where pecuniary externalities and financial market imperfections provide a rationale for macro-prudential regulation. Curbing risk-taking via regulation lowers the price of liquidity during crises and thereby reduces the costs associated with market incompleteness, but it also distorts productive investment decisions. Optimal regulation therefore trades off an improvement in exchange efficiency with a deterioration in production efficiency. But while the production efficiency costs are incurred domestically, the exchange efficiency benefits are global in nature due to pecuniary externalities operating across borders. Absent international coordination, this results in national authorities regulating their financial systems too lightly in an attempt to free-ride on foreign liquidity provision when a crisis materializes. The theory also outlines a channel by which tighter regulations in a given country induce more risk-taking abroad and implies that national macro-prudential policies are strategic substitutes across countries.

*Part II: Systemic Risk and Inefficient Debt Maturity.*

This paper analyzes private debt maturity choices in a dynamic macroeconomic model in which financial frictions give rise to systemic risk in the form of amplification effects, and shows that decentralized maturity decisions may result in a socially excessive reliance on short-term debt. Long-term liabilities provide insurance against shocks to the asset side of the balance sheet, but they come at an extra cost. The debt maturity structure therefore maps into an allocation of aggregate risk between lenders and leveraged borrowers, and fundamental shocks propagate more powerfully in the economy when the maturity is shorter. The market equilibrium is not constrained-efficient as borrowers fail to internalize their contribution to systemic risk and take on too much short-term debt in a decentralized economy. Macro-prudential policy in the form of a tax on short-term debt can lead to Pareto improvements and result in less volatile allocations and asset prices. A tax amounting to half of the term premium reduces the long-run probability of crises by a factor of eight.

## ADDITIONAL INFORMATION

Gender: Male  
Languages: French, English, German (fluent), Spanish (fair knowledge)  
Citizenship: Switzerland  
US Visa: J1 (not subject to two year rule)