

MARIUS JURGILAS

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DATE OF BIRTH: March 6, 1979 **SEX:** Male
CITIZENSHIP: Lithuania, US permanent resident

PRE-DOCTORAL STUDIES:

1997-2001 B.A. in Economics, Vilnius University, Lithuania
Major: Finance
Minor: Mathematical economics

2001-2003 M.A. in Economics, University of Connecticut, Storrs, CT USA
Major advisor: Dennis R. Heffley, Professor and Department Head

DOCTORAL STUDIES: UNIVERSITY OF CONNECTICUT

2002-2007 Ph.D. Economics
THESIS TITLE: Interbank Markets under Currency Boards

THESIS ADVISOR AND REFERENCES:

Christian Zimmermann (advisor)
Associate Professor
University of Connecticut
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PREFERRED RESEARCH AND TEACHING FIELDS:

Primary Fields: Macroeconomics, Monetary Economics

Secondary: Mathematical Economics, Computational Macroeconomics

TEACHING EXPERIENCE:

Instructor for:

- Principles of Macroeconomics (undergraduate) summer and fall of 2004
- Intermediate Macroeconomics (undergraduate) spring/fall of 2005, 2006
- Mathematical Economics (undergraduate) summer of 2005
- Money and Banking fall of 2007
- Business Statistics fall of 2007, spring 2008

Teaching assistant for:

- Principles of Microeconomics (undergraduate) 2002, 2003, 2004
- Principles of Macroeconomics (undergraduate) 2001, 2003
- Mathematical Economics (Master) 2002, 2003
- Advanced Macroeconomics III (PhD) 2004

RELEVANT POSITIONS HELD:

2008-current	<i>Bank of England, London, UK</i> Economist, Financial Resilience Division
2007-2008	<i>Elon University, North Carolina, USA</i> Assistant professor, Economics Department, Martha and Spencer Love School of Business
Summer 2006	<i>European Central Bank, Frankfurt, Germany</i> Summer intern; Project: Determinants of foreign currency lending
Summer 2004	<i>Center for Real Estate and Urban Economic Studies, School of Business Administration, University of Connecticut</i> Research assistant; Project: Shared appreciation mortgages
2001-2007	<i>Department of Economics, University of Connecticut</i> Teaching/research assistant
1999-2000	<i>Eurofaculty, Vilnius University, Lithuania</i> Researcher; Projects: Stock market valuation of Lithuanian firms, Private education in Lithuania
2000-2001	<i>SEB Vilniaus Bankas, SEB Group Corporate Clients and Financial Institutions Department</i> Client executive
Summer 1999	<i>Lithuanian Savings Bank, Lithuania</i> Summer intern; Foreign exchange trading

HONORS SCHOLARSHIPS AND FELLOWSHIPS:

2001-current	Graduate teaching/research assistantship at University of Connecticut
2005	Doctoral Dissertation Fellowship Award, Graduate School of University of Connecticut

LANGUAGES:

English, Lithuanian, Russian, German

PUBLICATIONS:

“Interbank Market Under the Currency Board: Case of Lithuania” FindEcon Monograph Series: Advances in Financial Market Analysis, Volume 1, 2005

PRESENTATIONS:

Money Macro and Finance Research Group 40th Annual Conference, 10 - 12 September 2008 Birkbeck, University of London, London, UK

European meeting of the European Economic Association and the Econometric Society (EEA-ESEM) in Milan, Italy, 27 - 31 August 2008

8th Annual Missouri Economics Conference, Federal Reserve Bank of St. Louis and University of Missouri, March 28-29, 2008, Columbia, USA

Latin American and Caribbean Economic Association (LACEA), Latin American Meeting of the Econometric Society (LAMES) 2007 Parallel Meetings, 4 - 6 October 2007, Bogotá, Colombia

13th International Conference on Computing in Economics and Finance, June 14 - 16, 2007, Montréal, Quebec, Canada

Seminar presentations at Cardiff University, CERGE-IE, Bundesbank, SITE, SSE Riga, Elon University, February, 2007

11th International Conference on Computing in Economics and Finance, June 23-25, 2005, Washington, D.C., USA

4th Annual International Conference “Forecasting Financial Markets and Economic Decision-making”, May 12-14, 2005, Lodz, Poland

COMPLETED PAPERS:

“Monetary Policy Under a Currency Board”, working paper 2007

The consensus view is that central banks under currency boards do not have tools for active monetary policy. In this paper, we analyze the foreign exchange fee as a monetary policy instrument that can be used by a central bank under a currency board. We develop a general equilibrium model showing that changes in this fee may have the same effects as a change in the monetary policy stance. Thus central banks under the currency board are shown to have an avenue to implement active monetary policy.

“Interbank Markets Under Currency Boards”, working paper 2006

This paper analyzes interbank markets under currency boards. Under such an environment, problematic endogeneity issues common to other monetary regimes do not arise. Using daily data from the interbank markets in Bulgaria and Lithuania we show, that contrary to the existing literature, overnight interest rates tend to decrease towards the end of the reserve holding period. Empirical results are supported by a finite horizon heterogeneous agents model showing that interest rates tend to decrease in the case of excess aggregate reserves in the banking system. Results contrast with Quirós and Mendizábal (2006) who find that interest rates should be increasing regardless of the outstanding aggregate liquidity in the

market. We also show that responsiveness of banks to interest rate changes diminishes as the end of reserve holding period approaches. Under certain circumstances this could lead to multiple equilibria with increasing or decreasing interest rates.

“Financial Dollarization: The Role of Banks and Interest Rates”

(with Henrique Basso (Birkbeck College) and Oscar Calvo-Gonzalez (ECB)) working paper series of the European Central Bank No. 748

This paper develops a model exploring the determinants of financial dollarization. Expanding on the existing literature, our framework allows interest rate differentials to play a role in explaining financial dollarization. It also accounts for the increasing presence of foreign banks in the local financial sector. Using a newly compiled data set on transition economies we find that increasing access to foreign funds leads to higher credit dollarization, while it decreases deposit dollarization. Interest rate differentials matter for the dollarization of both loans and deposits. Overall, the empirical results lend support to the predictions of our theoretical model.

“Corruption and Growth Under Weak Identification”, working paper 2006

(with Philip Shaw and Marina-Selini Katsaiti) revise and resubmit Journal of Economic Growth

The goal of this paper is to revisit the influential work of Mauro (1995) focusing on the strength of his results under weak identification. He finds a negative impact of corruption on investment and economic growth that appears to be robust to endogeneity when using two-stage least squares (2SLS). Since the inception of Mauro (1995), much literature has focused on 2SLS methods revealing the dangers of estimation and thus inference under weak identification. We reproduce the original results of Mauro (1995) with a high level of confidence and show that the instrument used in the original work is in fact 'weak' as defined by Staiger and Stock (1997). Thus we update the analysis using a test statistic robust to weak instruments. Our results suggest that under Mauro's original model there is a high probability that the parameters of interest are locally almost unidentified in multivariate specifications. To address this problem, we also investigate other instruments commonly used in the corruption literature and obtain similar results.

RESEARCH IN PROGRESS:

“Institutional Structure of the Interbank Market Under a Currency Board”

“Commercial Bank Reserve Management in the Case of a Currency Board”

“Bank Regulation in Practice and in Theory”

“Internal Ratings-Based Approach for Credit Risk in Transition Economies”

“Human Capital and Educational Corruption”

(with Philip Shaw)