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**EMPLOYMENT** Research Director, [CAFRAL](#) August 2018-present  
Center for Advanced Financial Research and Learning (CAFRAL) is a research division promoted by the Reserve Bank of India.

**PUBLISHED ARTICLES** “COVID-19, Fiscal Stimulus, and Credit Ratings” with Anuragh Balajee and [Shekhar Tomar](#). Published at COVID Economics, Real Time Vetted Papers Series by CEPR, Issue 11, April 2020.

Abstract: The COVID-19 pandemic has rattled the global economy and has required governments to undertake massive fiscal stimulus to prevent the economic fallout of social distancing policies. In this paper, we compare the fiscal response of governments from around the world and its main determinants. We find sovereign credit ratings as one of the most critical factors determining their choice. First, the countries with one level worse rating announced 0.3 percentage points lower fiscal stimulus (as a percentage of their GDP). Second, these countries also delayed their fiscal stimulus by an average of 1.7 days. We identify 22 most vulnerable countries, based on their rating and stringency, and find that a stimulus equal to 1 percent of their GDP adds up to USD 87 billion. In order to fight the pandemic, long term loans from multilateral institutions can help these stimulus starved economies.

“Fiscal Situation of India in the Time of COVID-19” with Anuragh Balajee and [Shekhar Tomar](#). Published at Economics and Political Weekly, Volume LVII, Numbers 26 and 27, 2022.

Abstract: India announced a fiscal package worth INR 1.7 trillion to fight the COVID-19 pandemic, but there were arguments for more spending. Using data from a cross-section of countries, this paper estimates the relationship between fiscal spending and the spread of COVID-19, economic stringency, and macroeconomic factors. It argues that subsidy rationalisation is the way to fund the increased expenditure on health and direct transfers while maintaining fiscal discipline.

**WORKING PAPERS** “Multinational Entry and Exit, Technology Transfer, and International Business Cycles”

Abstract: I develop a general equilibrium model of trade and horizontal multinational production (MP) with firm heterogeneity and parent-to-affiliate technology transfer to evaluate how MP affects international real business cycles. When calibrated to the United States, there are two surprising consequences: higher macroeconomic volatility and lower international correlations. The key mechanism driving these is pro-cyclical terms of labor depreciation which leads to pro-cyclical affiliate exit. Parent-to-affiliate technology transfer dampens these effects but it is not sufficient to overturn the main result.

**JEL Classifications:** F21, F23, F44.

**Keywords:** international business cycles, multinational production, technology transfer.

“Dollar Funding, Trade Invoicing and Real Effects: Evidence from India” with [Apoorva Javadekar](#) and [Shekhar Tomar](#).

Abstract: We provide causal evidence on the link between dollar funding and dollar

invoicing by exploiting an unanticipated shock to the former. In particular, we test how a decline in dollar funding in exporting countries impacts dollar invoicing by Indian importers. We find that (i) firm-product-level dollar invoicing drops in response to dollar funding shock with a simultaneous increase in Euro invoicing, (ii) local presence of foreign banks allows Indian firms to smooth-out the liquidity shock, and (iii) firms transfer liquidity from one market to another using their internal capital markets to smooth-out country-specific funding shocks. In terms of real consequences, firms unable to maintain dollar invoicing are more likely to lose trade connections.

**JEL Classifications:** F32, F40, G15.

**Keywords:** Currency Invoicing, Dollar Funding, Importers, Switch, Taper Tantrum.

“Food, Fuel and Facts: Distributional Effects of External Shocks” with [Saroj Bhattacharai](#) and [Arpita Chatterjee](#).

Abstract: In this paper we investigate the distributional implications of rising global food and oil prices using rich consumption and income panel data from India. We show that these external price shocks pass-through to domestic prices. We document that consumption inequality rises for the entire horizon of one year following a positive shock to global food and fuel prices. Using a household panel local projection method, we estimate heterogeneous consumption effects along the income distribution. We find robust evidence that lower income deciles are hit harder by rise in food prices, whereas rise in fuel prices hit both the lower and the middle income deciles. For both shocks, however, consumption of top income deciles is largely unscathed. The effects of external price shocks on inequality are quantitatively large and economically meaningful.

**JEL Classifications:** F41, F62, O11.

**Keywords:** External shocks, Food prices, Gas prices, Inequality, Household heterogeneity, Dynamic effects, India.

“Unsecured Consumer Credit and Credit Policy in Emerging Economies” with [Kartik Athreya](#), [Chintal Desai](#), and [Urvi Neelakantan](#).

Abstract: Growth miracles in emerging economies can make credit access highly valuable to consumers: most will earn far more in the future than at present, and would prefer to pull forward this income. Credit access in turn depends on the consequences of default. If growth miracles are possible, how should consumer bankruptcy regulation be positioned? In a rich life-cycle model with growth and defaultable debt, we show that “debtor-friendly” bankruptcy is costly, ex-ante. It stifles valued intertemporal smoothing while not delivering sufficient insurance against idiosyncratic risk. This trade-off is viewed differently, however, by households who vary in age, earnings, and wealth, and also as growth becomes more inequitable.

“Estimating Household Consumption Insurance in India” with [Arpita Chatterjee](#) and [Urvi Neelakantan](#).

Abstract: How volatile and persistent are permanent and transitory income shocks in India? What is the marginal propensity to consume out of these shocks? To address these questions, we estimate a panel unobserved components model on a large household-level panel dataset of income and consumption in India. We find that permanent income shocks are riskier—and transitory shocks more persistent—than in other countries. The marginal propensity to consume out of permanent income is low and flat along the income distribution, suggesting that the efficacy of fiscal transfers could be low. We use a calibrated version of the model to analyse alternative counterfactual policies that can improve the efficacy of fiscal stimulus.

“Aggregate and Distributional Impacts of Household Financial Inclusion Policies” with [Fan Wang](#).

Abstract: We incorporate common policy tools used to bring households to mainstream

banking- mandated minimum balance, cost of opening accounts, and the continuation cost of holding a bank account- into a standard heterogeneous agent model with uninsured idiosyncratic risks. Costly financial intermediation creates a wedge between saving and lending rates in addition to the household level financial access frictions. In the partial equilibrium, the three policy tools together govern the primary statistics of interest- share of unbanked population and wealth inequality. High cost of opening a new account implies that existing account holders are less willing to go unbanked. This leads to low unbanked population when mandated minimum savings is lower. Fixed continuation costs increase unbanked share, irrespective of the level of the mandated minimum savings.

<b>WORKS IN PROGRESS</b>	“Impact of Special Economic Zone Policies: Firm Level Evidence from India” with <a href="#">Pulak Ghosh</a> , <a href="#">Shekhar Tomar</a> , and <a href="#">Kei-Mu Yi</a> .	
<b>EDUCATION</b>	Ph.D. (Economics), University of Houston, United States Committee: Kei-Mu Yi (Chair), German Cubas, Bent Sorensen	May 2018
	Graduate Diploma (Economics), University of Essex, England	June 2012
	Bachelor of Technology, N.I.T. Karnataka, India	May 2011
<b>SEMINARS</b>	Midwest Macro Conference (Fall 2022), Dallas, November 2022 (expected) IGIDR Mumbai, September 2022 (expected) IIM-Bangalore, July 2022 Delhi Winter School (Delhi School of Economics), December 2019 Delhi Macroeconomics Workshop (ISI Delhi) Royal Economics Society Conference, University of Warwick, April 2019 National Institute of Economic and Social Research, London, April 2019 Macroeconomics Workshop, Ashoka University, November 2018 Madras School of Economics, August 2018 North American Summer Meeting of the Econometrics Society, UC Davis, May 2018 Texas Macroeconomics Student Conference, November 2017 Macroeconomics Student Workshops, University of Houston	
<b>TEACHING</b>	Principles of Microeconomics Intermediate Microeconomics Graduate Microeconomics I (Teaching Asst.) Graduate Macroeconomics II (Teaching Asst.)	Fall 2015 Summer 2016, Summer 2017 Fall 2014, Fall 2016 Spring 2017
<b>FELLOWSHIPS</b>	Doctoral Student Tuition Fellowship, University of Houston Cullen Supplemental Fellowship, University of Houston Presidential Graduate Fellowship, University of Houston	2013 - present 2013 - 2015 2013 - 2015
<b>PROFESSIONAL SERVICES</b>	Reviewer for Journal of Quantitative Economics, Journal of South Asian Development	
<b>REFERENCES</b>	Available on request.	