COVID-19 in Uruguay: A survey of policy responses and their impact

by Bucacos, Carballo, Mello, and Ponce

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Overall: **Nice and relevant paper!**

- Hybrid: Relevant for policy + good academic work
- Roadmap for action: A Toolkit
Diagnosis: Lives vs Output

1. EPI Models (Lives)
   - Assess immediate impact \(\rightarrow\) identify vulnerable households

2. Real-Time Indicators (Economy)
   - Mobility indicators
   - Electric power demand
   - Sale of diesel

Comment 1: Double down on measurement
   - Calibrate real-time indicators to GDP (nightlights approach)
   - Feedback to EPI Models: Optimal policy (prescription stage?)
Treatment

1. Health: restrictions to reduce infections, increase capacity health system, vaccination
2. Fiscal: unemployment insurance, credit provision
3. Monetary: expansionary stance

Comment 2: Impact of health policies

What is the impact of the health policies, did they feedback to the economy? do they interact with the fiscal/monetary measures?
Evaluation

1. Semi-structural New Keynesian: inflation and inflation expectations
2. DSGE: co-movement of variables + shock decomposition (heterogeneous across countries!)

Comment 3: Highlight the strengths
- Approaches are complementary
- Discuss investment
- Impact of monetary shocks are consistent across approaches
- Shock decomposition should inform (second round) policies!
Policy Results

1. Vector Error-Correction Model: impact of credit provision on consumption
2. Firms’ survey data: macro to micro

- **Comment 4: Internal consistency**
  - Expand the discussion on the second factor
  - New factor related to new loans to firms → survey evidence on importance of liquidity provision through rates
  - Expected easiness of commercial credit access?
Great Paper: Policy matters!
Joint Research Program: Thank you