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Eswar Prasad is the Tolani Senior Professor of Trade Policy at Cornell University, and a Senior Fellow at the Brookings Institution. He was previously chief of the Financial Studies Division in the International Monetary Fund's Research Department and, before that, was the head of the IMF's China Division.

Professor Prasad's research has spanned a number of areas, including the macroeconomics of financial globalization, monetary and exchange rate policies in emerging markets, and the Chinese and Indian economies. His extensive publication record includes articles in numerous collective volumes as well as top academic journals such as the *American Economic Review*, *Brookings Papers on Economic Activity*, etc. He has co-authored and edited numerous books and monographs, has served as the co-editor of the journal *IMF Staff Papers*, was on the editorial board of *Finance & Development*, and was the founding editor of the quarterly *IMF Research Bulletin*. He was a member of the analytical team that drafted the 2008 report of the High-Level Committee on Financial Sector Reforms set up by the Government of India. He received his Ph.D. from the University of Chicago.

Designing Optimal Monetary Policy Frameworks for Emerging Markets

Abstract

Globalization has made both advanced and emerging market economies more exposed to external shocks such as capital flows and spillovers of shocks. These forces make it harder for central banks to use traditional instruments to attain domestic objectives. And yet, monetary policy is gaining importance as a first line of defense. This has generated a rich debate: what is the right framework for monetary policy, what should be the scope of a central bank's objectives, and what is the optimal degree of central bank independence.