

---

# Luiz de Mello

Director, Policy Studies Branch, Economics Department

## Contact information

[luiz.demello@oecd.org](mailto:luiz.demello@oecd.org)

## Education

PhD in Economics, University of Kent, United Kingdom, 1993

MA in Economics, University of Kent, United Kingdom, 1990

BA in Economics, University of Brasília, Brazil, 1989

## Professional experience

OECD, 2005-present

International Monetary Fund, 1999-2004

University of Kent, United Kingdom, 1993-98

## Selected publications

### In academic journals

“The Global Crisis and Intergovernmental Relations: Centralisation and Decentralisation Ten Years On”, *Regional Studies*, forthcoming (with João Jalles).

“Cross Country Evidence on the Determinants of Inclusive Growth Episodes”, *Review of Development Economics*, Vol. 00 (2019), pp. 1-22 (with João Jalles).

“Greying the Budget: Ageing and Preferences over Public Policies”, *Kyklos*, Vol. 70 (2017), pp. 70–96 (with S. Schotte, E.R. Tiongson and H. Winkler).

“Inequalities in Latin America: Trends and implications for Policy”, *Hacienda Pública Española* (Review of Public Economics), Vol. 219 (2016), pp. 93-120 (with Monica Brezzi).

“Au-delà du PIB, en-deçà du PIB. Mesurer le bien-être territorial dans l’OCDE”, *Revue de l’OFCE*, Presses de Sciences-Po, Vol. 0(2016), pp. 11-32 (with M. Brezzi and E. Laurent).

“The global economic outlook and prospects for Latin America and the Dominican Republic”, *Ciencia y Sociedad*, Vol. 40 (2015), pp. 467-76.

“Households’ Intergenerational Structure and Participation in Associational Activities: The Role of Interpersonal Trust”, *Journal of Economic and Social Research*, Vol. 16 (2014), pp. 1-34 (with João T. Jalles).

“What Can Fiscal Policy Do in the Current Recession? A Review of Recent Literature and Policy Options”, *Hacienda Pública Española (Review of Public Economics)*, Vol. 204(2013), pp. 113-39.

“Do Latin-American Central Banks Behave Non-Linearly? The Experiences of Brazil, Chile, Colombia and Mexico”, *Studies in Non-Linear Dynamics and Econometrics*, Vol. 17 (2013), pp. 141-65 (with D. Moccero and M. Mogliani).

“Salaried employment and earnings in Indonesia: New evidence on the selection bias”, *Applied Economics*, Vol. 45 (2013), pp. 2808-16 (with M. Comola).

“Are Global Imbalances Sustainable? Shedding Further Light on the Causes of Current Account Reversals”, *Review of International Economics*, Vol. 20 (2012), pp. 489-516 (with P.C. Padoan and L. Rousová).

“How Does Decentralized Minimum Wage Setting Affect Employment and Informality? The Case of Indonesia”, *Review of Income and Wealth*, Vol. 57 (2011), pp. S79-S99 (with M. Comola).

“Are Global Imbalances Sustainable? Post Crisis Scenarios”, *Review of Economics and Institutions*, Vol. 2 (2011), pp. 1-32 (with P.C. Padoan).

“Does Fiscal Decentralisation Strengthen Social Capital? Cross-Country Evidence and the Experiences of Brazil and Indonesia”, *Environment and Planning C: Government and Policy*, Vol. 29 (2011), pp. 281-96.

“Monetary Policy and Macroeconomic Stabilisation in Latin America: The Cases of Brazil, Chile, Colombia and Mexico”, *Journal of International Money and Finance*, Vol. 30 (2010), pp. 229-45 (with D. Moccero).

“The Determinants of Labour Force Participation and Employment in Chile”, *Applied Economics*, Vol. 43 (2011), pp. 2765-76 (with D. Contreras and E. Puentes).

“Interdependencies between monetary policy and foreign-exchange intervention under inflation targeting: The case of Brazil and the Czech Republic”, *International Finance*, Vol. 13, No. 2 (2010), pp. 195-221 (with J-Y. Gnabo and D. Moccero).

“The Bank Lending Channel of Monetary Transmission in Brazil: A VECM Approach”, *Quarterly Review of Economics and Finance*, Vol. 50 (2010), pp. 50-60 (with M. Pisu).

“Monetary Policy and Inflation Expectations in Latin America: Long-run Effects and Volatility Spillovers”, *Journal of Money, Credit and Banking*, Vol. 41 (2009), pp. 1671-90. (with D. Moccero).

“What Is the Value of (My and My Family’s) Good Health?”, *Kyklos*, Vol. 62 (2009), pp. 594-610. (with E. Tiongson).

“Avoiding the Value Added Tax Theory and Cross-Country Evidence”, *Public Finance Review*, Vol. 37 (2009), pp. 27-46.

“The Brazilian ‘Tax War’: The Case of Value-Added Tax Competition Among the States”, *Public Finance Review*, Vol. 36 (2008), pp. 169-193.

"Estimating a Fiscal Reaction Function: the Case of Debt Sustainability in Brazil", *Applied Economics*, Vol. 40 (2007), pp. 271-84.

"Income Inequality and Redistributive Government Spending", *Public Finance Review*, 34 (2006), pp. 282-305 (with E. Tiongson).

"Globalization and Fiscal Federalism: Does Openness Constrain Subnational Budget Imbalances?", *Public Budgeting and Finance*, 25(2005), pp. 1-14.

"Can Fiscal Decentralization Strengthen Social Capital?", *Public Finance Review*, 32(2004), pp. 4-35.

"Optimal Exchange Rate Policy, Wage Bargaining, and Foreign Direct Investment", *Economia Internazionale*, 56(2003), pp. 1-12 (with J. Faria).

"More on the effectiveness of Public Spending on Health Care and Education: A Covariance Structure Model", *Journal of International Development*, 15 (2003), pp. 1-17 (with E. Baldacci and M.T. Guin-Siu).

"Transition Economies: How Appropriate is the Size and Scope of Government?", *Comparative Economic Studies*, 45(2003), pp. 554-76 (with S. Gupta, L. Leruth, and S. Chakravarti).

"Public Finance, Government Spending and Economic Growth: The Case of Local Governments in Brazil", *Applied Economics*, 34(2002), pp. 1871-83.

"Government Spending, Rights, and Civil Liberties", *International Review of Law and Economics*, 22(2002), pp. 257-76 (with R. Sab).

"Corruption and Military Spending", *European Journal of Political Economy*, 17(2001), pp. 749-77 (with S. Gupta and R. Sharan).

"Is Foreign Debt Portfolio Management Efficient in Emerging Economies?", *Journal of Development Economics*, 66(2001), pp. 317-35 (with K. Hussein).

"Fiscal Decentralization and Borrowing Costs: The Case of Local Governments", *Public Finance Review*, 29(2001), pp. 108-38.

"Fiscal Federalism and Government Size in Transition Economies: The Case of Moldova", *Journal of International Development*, 13(2001), pp. 255-68.

"Trade and Foreign Direct Investment in Latin America and Southeast Asia: Temporal Causality Analysis", *Journal of International Development*, 12(2000), pp. 903-24 (with K. Fukasaku).

"Consumption Behaviour and Persistent High Inflation: Evidence from Latin America", *Revista Brasileira de Economia*, 54(2000), pp. 227-46.

"Fiscal Decentralization and Intergovernmental Fiscal Relations: A Cross-Country Analysis", *World Development*, 28(2000), pp. 365-80.

“Exchange Rate Management: The Case of Brazil”, *Estudos Econômicos*, 29(1999), pp. 457-74 (with F. Carneiro).

“International Capital Mobility in Developing Countries: Theory and Evidence”, *Journal of International Money and Finance*, 18 (1999), pp. 367-81 (with K. Hussein).

“Intergovernmental Fiscal Relations: Co-ordination Failures and Fiscal Outcomes”, *Public Budgeting and Finance*, 19(1999), pp. 3-25.

“Foreign Direct Investment-Led Growth: Evidence from Time Series and Panel Data”, *Oxford Economic Papers*, 51(1999), pp. 133-51.

“Foreign Direct Investment and Growth: A Survey”, *Journal of Development Studies*, 34(1997), pp. 1-34.

“The Long-Run Behaviour of Exchange Rates in Brazil, Chile and Argentina: A Cointegration Analysis”, *International Review of Economics and Finance*, 6(1997), pp. 37-48 (with F. Carneiro).

“Overlapping Generations and Complex Dynamics: The Vintage Technology Case”, *Journal of Macroeconomics*, 17(1995), pp. 705-18.

“Optimal Vintage Capital Utilisation: Supportability Conditions”, *Economics Letters*, 45(1994), pp. 427-31.

“Biproportionality and Optimal Capital Depletion”, *Economics Letters*, 41(1993), pp. 241-5.

“The Updating of Input/Output Matrices: A Systematic Survey”, *Economics Letters*, 40(1992), pp. 413-6 (with J. Teixeira).

### Contributions to books

“The global crisis and Brazilian federalism: effects and perspectives”, with J.R. Afonso, in R. Eccleston and R. Krever (Eds.), [The Future of Federalism](#), (Cheltenham: Edward Elgar), 2017, pp. 291-313.

“Descentralização e Investimento Público: Desafios e Políticas Públicas”, *Boletim Regional, Urbano e Ambiental*, No. 14 (June 2016) (Brasília: IPEA), pp. 9-18.

Afonso, J.R. and L. de Mello, “Federalismo e Coesão Social: Mecanismos, Tendências e Desafios”, in G.F. de Soto and P.P. Herrero (Eds.), *América Latina: Sociedad, Economía y Seguridad en un Mundo Global* (Madrid: Marcial Pons), 2013, pp. 242-53.

“Local Government Cooperation for Joint Provision: The Experiences of Brazil and Spain with Intermunicipal Consortia”, in S. Lago-Peñas and J. Martínez-Vázquez (Eds.), *The Challenge of Local Government Size* (Cheltenham: Edgar Elgar), 2013, pp. 221-41.

“Brazil’s Growth Performance: Achievements and Prospects”, in A.K. Fosu (Ed.), *Achieving Development Success* (Oxford: Oxford University Press), 2013, pp. 295-320.

“Fiscal Decentralisation and Public Investment: The Experience of Latin America”, in G. Brosio and J.P. Jiménez (Eds.), *Decentralisation and Reform: Improving Intergovernmental Relations* (Cheltenham: Edward Elgar), 2013.

“Fiscal Decentralisation and Urbanization in Indonesia”, with M. Comola, in J. Beall, B. Guha-Khasnobis and R. Kanbur (Eds.), *Urbanisation and Development in Asia* (Oxford: Oxford University Press), 2012, pp. 201-21.

*Promoting Inclusive Growth: Challenges and Policies*, co-edited with Mark Dutz (OECD: Paris), 2012.

“O Ajuste Fiscal no Brasil: Conquistas e Desafios” in M.C. Sampaio de Sousa *et al.* (Orgs.), *Economia Pública Brasileira* (Brasília: ESAF), 2011, pp. 53-70.

Brazil’s Achievements and Challenges, *CESifo Forum*, Vol. 12 (2011), No. 1, pp. 3-10.

de Mello, L., “Europe”, in J. Martinez-Vasquez and P. Smoke (Eds.), *The State of Local Government Finance: Are we ready to face the demand?*, Second Global Report on Decentralisation and Local Democracy, United Cities and Local Governments, Barcelona, 2010.

“Financing European Local Governments”, in *IEB Fiscal Federalism Report*, (Barcelona, Institut d’Economia de Barcelona), 2010.

*Growth and Sustainability in Brazil, China, India, Indonesia and South Africa*, editor (Paris: OECD), 2010.

*Monetary Policies and Inflation Targeting in Emerging Economies*”, editor, (Paris: OECD), 2008.

“Local government finances: The link between intergovernmental transfers and net worth”, in G.K. Ingram and Y.H. Hong (Eds.), *Fiscal Decentralization and Land Policies* (Cambridge, MA: Lincoln Institute), 2008.

“Regional Economic Integration and Budget Financing: Looking towards International Markets?” in J. Martinez-Vazquez and F. Vaillancourt (Eds.), *Public Policy for Regional Development* (London: Routledge), pp. 235-66, 2008.

“Fiscal Responsibility Legislation and Fiscal Adjustment: The Case of Brazilian Local Governments”, in G.E. Peterson and P.C. Annez (Eds.) *Financing Cities* (Washington, DC: World Bank ), pp. 40-73, 2007.

“Central America: Recent Developments and Key Policy Challenges”, *Euromoney Handbook*, November 2007.

“Financial Crises, Poverty and Income Distribution”, with E. Baldacci and G. Inchauste, in A. Mody and C. Patillo (Eds.), *Macroeconomic Policies and Poverty Reduction*, Routledge, Ch. 10, 2006.

*Challenges to Fiscal Adjustment in Latin America: The Cases of Argentina, Brazil, Chile and Mexico*, editor, (Paris: OECD), 2006.

“Foreign Direct Investment”, in D. Clark (ed.), *The Elgar Companion to Development Studies* (Cheltenham: Edward Elgar), 2006.

“Is the U.S. Prone to Over-Consumption?”, in Boston Fed Conference Series No. 49, *The Macroeconomics of Fiscal Policy*, 2006 (with J.-P. Cotis and J. Coppel).

“Fiscal Decentralization and Governance: A Cross-Country Analysis”, in G. Abed and S. Gupta (eds.), *Governance, Corruption, and Economic Performance* (Washington: International Monetary Fund), 2002 (with M. Barenstein).

“Brazil: An Evolving Federation”, in E. Ahmad and V. Tanzi (eds.), *Managing Fiscal Decentralization* (London: Routledge), 2002 (with J. Afonso).

“Privatization and Corporate Governance in Brazil”, in A. Pinheiro and K. Fukasaku (eds.), *Privatization in Brazil: The Case of Public Utilities* (Rio de Janeiro: OECD Development Centre and BNDES), 2000.

*Decentralisation, Inter-governmental Fiscal Relations and Macroeconomic Governance*, co-edited with K. Fukasaku (Paris: OECD Development Centre), 1999.

“Fiscal Decentralisation and Macroeconomic Stability: The Experience of Large Developing Countries and Transition Economies”, in R. Hausman and K. Fukasaku (eds.), *Democracy, Decentralisation and Deficits in Latin America* (Paris: OECD Development Centre), 1998 (with K. Fukasaku).

### Working Papers

de Mello, L. and J. Jalles (2019), ‘Cross-Country Evidence on the Determinants of Inclusive Growth Episodes’, *REM Working Paper Series*, No. 081-2019, ISEG – University of Lisbon, Lisbon.

de Mello, L. and J. Jalles (2018), “The Global Crisis and Intergovernmental Relations: Revisiting the Centralisation-Decentralisation Debate Ten Years On”, *GEN Working Paper*, No. A 2018-3, Governance and Economics Research Network, University of Vigo, Vigo, Spain.

de Mello, L. (2016), “Intergovernmental Fiscal Cooperation: International Experiences and Possible Lessons for Brazil” (with T. Ter-Minassian), *IDB Technical Note*, No. IDB-TN-1048, Interamerican Development Bank, Washington, D.C.

de Mello, L., S. Schotte, E.R. Tiongson and H. Winkler (2016), “Greying the Budget: Ageing and Preferences over Public Policies”, *IZA Discussion Paper*, No. 9681, Institute for the Study of Labour, Bonn, Germany.

de Mello, L. and S. Lago-Penas (2011), “Local Government Cooperation for Joint Provision: The Experiences of Brazil and Spain with Inter-Municipal Consortia”, Andrew Young School of Policy Studies Research Paper Series, No. 12-18, Georgia State University, Atlanta, GA.

de Mello, L., P.C. Padoan and L. Rousová (2011), “[The growth effects of current account reversals: the role of macroeconomic policies](#)”, *OECD Economics Department Working Paper* No. 871.

de Mello, L. (2010), “[Does fiscal decentralisation strengthen social capital? Cross-country evidence and the experiences of Brazil and Indonesia](#)”, *OECD Economics Department Working Paper* No. 825 (*Environment and Planning C: Government and Policy*, Vol. 29, pp. 281-96.).

de Mello, L. (2010), "[Fiscal decentralisation and public investment: The experience of Latin America](#)", *OECD Economics Department Working Paper* No. 824.

de Mello, L., P.C. Padoan and L. Rousová (2010), "[Are global imbalances sustainable? Shedding further light on the causes of current account reversals](#)", *OECD Economics Department Working Paper* No. 813.

de Mello, L. and M. Comola (2010), "[Enhancing the Effectiveness of Social Policies in Indonesia](#)", *OECD Economics Department Working Paper* No. 810.

de Mello, L. and P.C. Padoan (2010), "[Are global imbalances sustainable? Post-crisis scenarios](#)", *OECD Economics Department Working Paper* No. 795, 2010, also published in the *Review of Economics and Institutions*, Vol. 2 (2011), pp.1-32.

de Mello, L. and P.C. Padoan (2010), "[Promoting potential growth: the role of structural reform](#)", *OECD Economics Department Working Paper* No. 793, 2010.

de Mello, L. and M. Pisu (2009), "[The effectiveness of education and health spending among Brazilian municipalities](#)", *OECD Economics Department Working Paper* No. 712.

de Mello, L. and M. Pisu (2009), "[The bank lending channel of monetary transmission in Brazil: A VECM approach](#)", *OECD Economics Department Working Paper* No. 711, also published in *Quarterly Review of Economics and Finance*, Vol. 50 (2010), pp. 50-60.

de Mello, L. and M. Comola (2009), "[How does decentralised minimum wage setting affect unemployment and informality? The case of Indonesia](#)", *OECD Economics Department Working Paper* No. 710, also published in *Review of Income and Wealth*, Vol. 57, pp. S79-S99.

de Mello, L. and M. Pisu (2009), "[Price and volume elasticities of Brazilian foreign trade: A profit function approach](#)", *OECD Economics Department Working Paper* No. 704.

de Mello, L. and M. Mogliani (2009), "[Current account sustainability in Brazil: A non linear approach](#)", *OECD Economics Department Working Paper* No. 703.

de Mello, L. and M. Comola (2009), "[The determinants of employment and earnings in Indonesia: A multinomial selection approach](#)", *OECD Economics Department Working Paper* No. 690, forthcoming in *Applied Economics*.

de Mello, L., D. Moccero and M. Mogliani (2009), "[Do Latin American central bankers behave non linearly? The experiences of Brazil, Chile, Colombia and Mexico](#)", *OECD Economics Department Working Paper* No. 679, forthcoming in *Studies in Non-Linear Dynamics and Econometrics*.

de Mello, L. (2008), "[Indonesia: Growth performance and policy challenges](#)", *OECD Economics Department Working Paper* No. 637.

Contreras, D., L. de Mello and E. Puentes (2008), "[Encouraging labour force participation in Chile](#)", *OECD Economics Department Working Paper* No. 608.

Contreras, D., L. de Mello and E. Puentes (2008), "[Tackling business and labour informality in Chile](#)", *OECD Economics Department Working Paper* No. 607.

de Mello, L. (2008), "[Managing Chile's macroeconomy during and after the copper price boom](#)", *OECD Economics Department Working Paper* No. 605.

de Mello, L. (2008), "[Avoiding the value added tax: Theory and cross country evidence](#)", *OECD Economics Department Working Paper* No. 604, also published in *Public Finance Review*, Vol. 37, pp. 27-46, 2009.

de Mello, L., J.-Y. Gnabo and D. Moccero (2008), "[Interdependencies between monetary policy and foreign-exchange intervention under inflation targeting: The case of Brazil and the Czech Republic](#)", *OECD Economics Department Working Paper* No. 593, also published in *International Finance*, Vol. 13, No. 2 (2010), pp. 195-221.

de Mello, L. (2007), "[Local Government Finances: The Link Between Intergovernmental Transfers and Net Worth](#)", *OECD Economics Department Working Paper* No. 581. Published in G.K. Ingram and Y.H. Hong (Eds.), *Fiscal Decentralization and Land Policies* (Cambridge, MA: Lincoln Institute), 2008.

de Mello, L. and D. Moccero (2007), "[Monetary Policy and Macroeconomic Stability in Latin America: The Cases of Brazil, Chile, Colombia and Mexico](#)", *OECD Economics Department Working Paper* No. 545. Forthcoming in *Journal of International Money and Finance*.

de Mello, L. (2007), "[The Brazilian "tax war": The case of value-added tax competition among the states](#)", *OECD Economics Department Working Paper* No. 544. Published in *Public Finance Review*, Vol. 36 (2008), pp. 169-193.

de Mello, L. and F. Giambiagi (2006), "[Social Security Reform in Brazil: Achievements and Remaining Challenges](#)", *OECD Economics Department Working Paper* No. 534.

de Mello, L., N. Menezes Filho and L.G. Scorzafave (2006), "[Improving Labour Utilisation in Brazil](#)", *OECD Economics Department Working Paper* No. 533.

de Brito Cruz, C. and L. de Mello and (2006), "[Boosting Innovation Performance in Brazil](#)", *OECD Economics Department Working Paper* No. 532.

de Mello, L. and D. Moccero (2006), "[Consolidating Macroeconomic Adjustment in Brazil](#)", *OECD Economics Department Working Paper* No. 531.

de Mello, L. and D. Moccero (2006), "[Monetary Policy and Inflation Expectations in Latin America: Long-run Effects and Volatility Spillovers](#)", *OECD Economics Department Working Paper* No. 518. Published in *Journal of Money, Credit and Banking*, Vol. 41 (2009), pp. 1671-90.

Baca-Campolonic, J., L. de Mello and A. Kirilenko (2006), "[The Rates and Revenue of Bank Transaction Taxes](#)", *OECD Economics Department Working Paper* No. 494.

de Mello, L. and D. Moccero (2006), "[Brazil's Fiscal Stance During 1995-2005: The Effect of Indebtedness on Fiscal Policy over the Business Cycle](#)", *OECD Economics Department Working Paper* No. 485.



de Mello, L. and A. Galetovic (2005), "[Strengthening Regulation in Chile: The Case of Network Industries](#)", *OECD Economics Department Working Paper* No. 455.

Benavente, J.M., L. de Mello and N. Mulder (2005), "[Fostering Innovation in Chile](#)", *OECD Economics Department Working Paper* No. 454.

de Mello, L. and M. Hoppe (2005), "[Education Attainment in Brazil: The Experience of FUNDEF](#)", *OECD Economics Department Working Paper* No. 424.

de Mello, L. (2005), "[Estimating a fiscal reaction function: the case of debt sustainability in Brazil](#)", *OECD Economics Department Working Paper* No. 423. Published in *Applied Economics*, Vol. 40, pp. 271-84, 2007.

de Mello, L., P.M. Kongsrud and R. Price (2004), "[Saving Behaviour and the Effectiveness of Fiscal Policy](#)", *OECD Economics Department Working Paper* No. 397.