

## International Monetary Fund

# IMF appoints Harvard's Gita Gopinath as chief economist

Fund joins OECD and World Bank in having a woman in top economic role



IMF's appointment of Harvard's Gita Gopinath as its new chief economist will challenge the fund to reshape its economic thinking around exchange rates and international economics.

Chris Giles in London YESTERDAY

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The IMF has appointed [Gita Gopinath](#) as chief economist in a move that will challenge the fund to reshape its thinking around exchange rates.

Professor Gopinath, the first woman to take the role, will replace Maurice Obstfeld, who is retiring. A professor at Harvard University, she is a co-editor of the top-rated American Economic Review and co-editor of the Handbook of International Economics with Kenneth Rogoff, a former IMF chief economist.

With her appointment the [IMF](#) joins the OECD and World Bank in having a woman in the top economic role in the institution.

A US and Indian citizen, Ms Gopinath grew up in India, received her PhD from Princeton University and worked at the University of Chicago before moving to Harvard.

She is best known for her work on exchange rates, writing recently that the gains to flexible exchange rates “are less than you think” — a view that will be challenging to the IMF, which traditionally supports the policy.

In a response to the financial crisis 10 years ago, Ms Gopinath said other lessons were that low interest rate environments hurt productivity and led to misallocated resources and that the dollar

was dominant in driving trade volumes.

She will be more in tune with mainstream thinking in her conclusions that trade is not a main driver of economic inequality, that emerging markets are wise to tilt away from dollar denominated debt and that global co-ordination of financial regulation is essential.

Ms Gopinath has said in media interviews that she has never felt discriminated against as a woman in economics even though she is one of a handful of female tenured professors in the department in Harvard.

Rather, she said, because everyone in academia was pushing at the frontier of knowledge, no one was being pushed out.

Ms Gopinath's ideas are gaining increasing credence. She is best known for challenging received wisdom on flexible exchange rates. Although she highlights the benefits of flexibility in allowing a country to have its own monetary policy, she says other benefits are often overstated.

In particular, her research has shown that currency depreciations are ineffective in stimulating exports in most countries because goods are overwhelmingly invoiced in dollars. With a "dominant currency", export prices do not fall when the exchange rate changes and so export flows are quite unresponsive to exchange rates. Imports often fall due to a lack of purchasing power in dollars.

"Gita is a thoughtful and accomplished economist with the intellectual gravitas to push the IMF's analytical work in new and interesting directions," said Eswar Prasad, senior fellow at the Brookings Institution. "She is a worthy successor to a long line of distinguished economists who have led the IMF's research department.

"Her intellectual acumen will help the IMF better guide its member countries, especially developing countries, to deal with the complex economic and social challenges wrought by globalisation."

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