COVID-19 in Uruguay: A survey of policy responses and their impact
by Bucacos, Carballo, Mello, and Ponce

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Bucacos, Carballo, Mello, and Ponce (BCMP)

- 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 $\implies$ 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 $\implies$ survey evidence on importance of liquidity provision through rates
  - Expected easiness of commercial credit access?

Great Paper: Policy matters!

Joint Research Program: Thank you