

Sergii Kiiashko

NBU and KSE

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Employment

Kyiv School of Economics, Assistant Professor, 2018-present

National Bank of Ukraine, Chief Expert, Research Department, 2018-present

Education

Princeton University, 2012 to 2018

Ph.D. in Economics, M.A., Economics (2014)

Thesis Title: "Essays in Sovereign Debt Maturity Structure"

Kyiv School of Economics, Kyiv, Ukraine, 2012

M.A., Financial Economics with Honors

Simon Kuznetz Kharkiv National University of Economics, Kharkiv, Ukraine, 2010

M.A., Finance with Highest Honors

B.A., Finance with Highest Honors

Research

"Government Debt Maturity Structure, Fiscal Policy, and Default"

Abstract: I develop a model to study the optimal debt maturity structure and fiscal policy in an environment with incomplete markets, lack of commitment, and opportunity to default by the government. The default on public debt is endogenous and the real interest rate reflects the default risk and the marginal rate of substitution between present and future consumption. The maturity is used to resolve the time-consistency problem: The present government can incentivize future governments to stick to an ex ante optimal sequence of fiscal policies and interest rates. I show that if both risk-free interest rates and risk premiums can be manipulated, the optimal maturity structure tends to have a decaying profile: The government issues debt at all maturity dates, but the distribution of payments over time is skewed toward the short-term end. Debt maturity data across countries are consistent with model predictions.

Research in Progress

"Sovereign Debt Maturity Structure of a Small Open Economy: Short or Long?"

Abstract: I study the sovereign debt maturity structure of a small-open economy in a model with stochastic interest rates and opportunity to default by the government. If default premiums are perfectly foreseen, the optimal debt policy is to issue only one-period debt. Short-term debt disciplines the future governments not to overborrow compared to ex ante optimal allocations because, otherwise, the sovereign has an incentive to dilute the value of long-term debt ex post. If default premiums are stochastic but locally independent of level of debt, sovereign issues consol bonds or maturity is flat. Flat maturity hedges the government against unpredicted swings in interest rates and smooths consumption over states of the world. If default premiums are stochastic (so that maturity can be used as a hedging against changes in interest rates) and continuously increasing in outstanding debt (so that sovereign has an incentive to use short-term debt to minimize dilution of long-term debt in the future), the optimal maturity

is mostly short-term debt as minimizing costs associated with lack of commitment is quantitatively more important compared to minimizing costs associated with lack of insurance.

“Fiscal and Monetary Policy with Dual Lack of Commitment”

References

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Nobuhiro Kiyotaki
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Princeton University
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Teaching and Research Fields

Primary Fields

Macroeconomics, International Economics

Secondary Fields

Public Finance

Research Experience:

Feb 2014 – Dec 2014

Research Assistant for Professor Mikhail Golosov

Jul 2015 – Jun 2018

Research Assistant for Professor Nobuhiro Kiyotaki

Teaching Experience

2011-2012	<i>Graduate Macroeconomics</i> , Kyiv School of Economics, Teaching assistant
2014-2015	<i>ECO 301, Undergraduate Macroeconomics</i> , Princeton University Teaching assistant for Professor Ezra Oberfield <i>ECO 343, Undergraduate Macroeconomic Policy</i> , Princeton University Teaching assistant for Professor Iqbal Zaidi
2015-2016	<i>ECO 324, Undergraduate Law and Economics</i> , Princeton University Teaching assistant for Professor Thomas C. Leonard <i>ECO 301, Undergraduate Macroeconomics</i> , Princeton University Teaching assistant for Professor Iqbal Zaidi
2016-2017	<i>Junior Independent Work</i> , Princeton University Teaching assistant for Professor Iqbal Zaidi <i>ECO 353, Undergraduate International Monetary Economics</i> , Princeton University Teaching assistant for Professor Iqbal Zaidi
2017-2018	<i>Junior Independent Work</i> , Princeton University Teaching assistant for Professor Iqbal Zaidi <i>ECO 353, Undergraduate International Monetary Economics</i> , Princeton University Teaching assistant for Professor Iqbal Zaidi