

FRENCH PRESIDENT TRYING TO REVIVE ECONOMY BY IMPLEMENTING IDEA CHAMPIONED BY GOPINATH

France turns to Gita to fight Euro trouble

Singapore: When French president Francois Hollande unveiled a plan in November for a business tax credit and higher sales taxes to revive the economy, he was implementing an idea championed by economist Gita Gopinath.

Gopinath, 41, a professor at Harvard University in Cambridge, Massachusetts, has pushed for tax intervention or 'fiscal devaluation' as a way forward for euro-area countries that cannot devalue their exchange rates.

Hollande is seeking to re-



The Gita who came to France's rescue. What were you thinking?

vive France's competitive edge by offering companies a \$27 billion tax cut on some salaries as he attempts to turn around the economy. He also will lift the two highest value-added

tax rates. The plan was inspired partly by Gopinath's paper, said Harvard professor Philippe Aghion, an informal campaign adviser to Hollande.

Gopinath's support for the theory took shape through her years of teaching at Harvard and the University of Chicago and particularly as a Ph.D student at Princeton University under the guidance of Kenneth Rogoff, Pierre-Olivier Gourinchas and Ben Bernanke, chairman of the Federal Reserve.

Rogoff, former IMF chief economist, calls Gita "a major

star, at the top of her cohort in international macroeconomics, and still rapidly growing as a scholar." She's also a gifted and popular teacher, he said.

The Mysore girl's bachelor's degree in economics from the Lady Shri Ram College for Women in 1992 was followed by a first master's at the Delhi School of Economics and a second in the US at the University of Washington in 1996.

After receiving her doctorate at Princeton, she taught at the University of Chicago before moving to Harvard, where she

was invited as a visiting assistant professor for a semester in 2005. At the end of that stint, the university made her an offer to stay, the first Indian woman to be thus tenured.

Her husband is Bangalore-born Iqbal Dhaliwal who topped the UPSC in 1995. He is now director of policy at the MIT's Abdul Latif Jameel Poverty Action Lab in Cambridge. They have a son Rohil, who's nearly 10, and who is "very wired to world events", said Gopinath.

—Bloomberg, with DNA inputs