

READING GROUP IN MACROECONOMETRICS

JAROSLAV BOROVÍČKA AND JOSÉ LUIS MONTIEL OLEA

OBJECTIVE: Refine our understanding on how macroeconomic theory interacts with econometrics to suggest policy decisions after analyzing data.

SCHEDULE: We will meet on Monday from 6pm to 730pm. Building: 19W4. Room Number: TBA.

FORMAT: We expect the participants to give a *detailed* presentation of at least one paper. By detailed we mean the following: if we are ever interested in replicating a paper in our list, we should be able to do so after reading your slides. Everybody is expected to read the *model* part of the paper in advance, so that we can limit the discussion of the model to a minimum, and focus on a detailed analysis of the solution and estimation method.

OUTLINE AND READINGS:

1. IDENTIFICATION, ESTIMATION AND INFERENCE IN (ALMOST) LINEAR DSGE MODELS

- [Del Negro and Schorfheide \(2004\)](#)
- [Bierens \(2007\)](#)
- [Justiniano and Primiceri \(2008\)](#)
- [Canova and Sala \(2009\)](#)
- [Guerron-Quintana, Inoue, and Kilian \(2013\)](#)
- [Bianchi, Ilut, and Schneider \(2013\)](#)

OPTIONAL: [Komunjer and Ng \(2011\)](#)

2. SHOCK IDENTIFICATION

- [Christiano, Eichenbaum, and Evans \(2005\)](#)
- [Uhlig \(2005\)](#)

- [Gertler and Karadi \(2013\)](#)
- [Angrist, Jarda, and Kuersteiner \(2013\)](#)
<http://www.frbsf.org/economic-research/files/wp2013-24.pdf>

3. NONLINEAR DSGE MODELS

- [Aruoba, Bocola, and Schorfheide \(2013\)](#)
- [Bocola \(2013\)](#)
- [Liu, Waggoner, and Zha \(2011\)](#)
- [Bidder and Smith \(2013\)](#)

REFERENCES

- ANGRIST, J., O. JARDA, AND G. M. KUERSTEINER (2013): “Semiparametric Estimates of Monetary Policy Effects Before and Since the Great Recession: String Theory Revisited,” NBER.
- ARUOBA, S. B., L. BOCOLA, AND F. SCHORFHEIDE (2013): “Assessing DSGE Model Nonlinearities,” .
- BIANCHI, F., C. ILUT, AND M. SCHNEIDER (2013): “Uncertainty Shocks, Asset Supply and Pricing over the Business Cycle,” .
- BIDDER, R. AND M. E. SMITH (2013): “Doubts and Variability: A Robust Perspective on Exotic Consumption Series,” .
- BIERENS, H. J. (2007): “Econometric analysis of linearized singular dynamic stochastic general equilibrium models,” *Journal of Econometrics*, 136, 595–627.
- BOCOLA, L. (2013): “The Pass-Through of Sovereign Risk,” .
- CANOVA, F. AND L. SALA (2009): “Back to square one: identification issues in DSGE models,” *Journal of Monetary Economics*, 56, 431–449.
- CHRISTIANO, L. J., M. EICHENBAUM, AND C. L. EVANS (2005): “Nominal Rigidities and the Dynamic Effects of a Shock to Monetary Policy,” *Journal of Political Economy*, 113, 1–45.
- DEL NEGRO, M. AND F. SCHORFHEIDE (2004): “Priors from General Equilibrium Models for VARs,” *International Economic Review*, 45, 643–673.
- GERTLER, M. AND P. KARADI (2013): “Monetary Policy Surprises, Credit Costs and Economic Activity,” New York University.
- GUERRON-QUINTANA, P., A. INOUE, AND L. KILIAN (2013): “Frequentist inference in weakly identified Dynamic Stochastic General Equilibrium Models,” *Quantitative Economics*, 4, 197–229.
- JUSTINIANO, A. AND G. E. PRIMICERI (2008): “The Time-Varying Volatility of Macroeconomic Fluctuations,” *The American Economic Review*, 98, 604–641.
- KOMUNJER, I. AND S. NG (2011): “Dynamic identification of dynamic stochastic general equilibrium models,” *Econometrica*, 79, 1995–2032.
- LIU, Z., D. F. WAGGONER, AND T. ZHA (2011): “Sources of Macroeconomic Fluctuations: A Regime-Switching DSGE Approach,” *Quantitative Economics*, 2, 251–301.
- UHLIG, H. (2005): “What are the Effects of Monetary Policy on Output? Results from an Agnostic Identification Procedure,” *Journal of Monetary Economics*, 52, 381–419.