

## Topics Course

# New Approaches in Structural Macroeconometrics

### -Syllabus-

This course is aimed at graduate students and advanced Master students with a special research interest in empirical macroeconomics and macroeconometrics. It covers ongoing research on structural identification of macroeconomic shocks. Students are expected to take an active role in this course, specifically by presenting one or several of the paper listed below. Grading will be based on the presentation(s) (40%) and a term paper (60%). Note that the course requires a good background in econometrics. Some prior knowledge of structural VARs and multivariate time series in general would be especially helpful.

## Topics

### 1 Introduction

- Valery A. Ramey (2016). “Macroeconomic shocks and their propagation”. *Handbook of macroeconomics*. Ed. by John B. Taylor and Harald Uhlig. Vol. 2. Elsevier, 71–162

### 2 External instruments/Proxy SVARs

- James H. Stock and Mark W. Watson (2012). “Disentangling the channels of the 2007-09 recession”. *Brookings Papers on Economic Activity Spring*, 81–156
- Karel Mertens and Morten O. Ravn (2013). “The dynamic effects of personal and corporate income tax changes in the United States”. *American Economic Review* 103 (4), 1212–47. DOI: [10.1257/aer.103.4.1212](https://doi.org/10.1257/aer.103.4.1212)
- Sydney C. Ludvigson, Sai Ma, and Serena Ng (2015). “Uncertainty and business cycles: exogenous impulse or endogenous response?” NBER Working Paper 21803
- Dario Caldara and Edward Herbst (2016). “Monetary policy, real activity, and credit spreads: evidence from Bayesian proxy SVARs”. Mimeo. Federal Reserve Board

### 3 High-frequency identification

- Refet S. Gürkaynak, Brian Sack, and Eric Swanson (2005). “The sensitivity of long-term interest rates to economic news: evidence and implications for macroeconomic models”. *American Economic Review* 95 (1), 425–436. DOI: [10.1257/0002828053828446](https://doi.org/10.1257/0002828053828446)
- Mark Gertler and Peter Karadi (2015). “Monetary policy surprises, credit costs, and economic activity”. *American Economic Journal: Macroeconomics* 7 (1), 44–76

- Emi Nakamura and Jon Steinsson (2015). “High frequency identification of monetary non-neutrality”. mimeo. Columbia University

## 4 Propensity score matching

- Òscar Jordà and Alan M. Taylor (2016). “The time for austerity: estimating the average treatment effect of fiscal policy”. *Economic Journal* 126 (590), 219–255. DOI: <http://dx.doi.org/10.1111/eoj.12332>

## 5 Synthetic control method

- Alberto Abadie, Alexis Diamond, and Jens Hainmueller (2010). “Synthetic control methods for comparative case studies: estimating the effect of California’s tobacco control program”. *Journal of the American Statistical Association* 105 (490), 493–505
- Alberto Abadie, Alexis Diamond, and Jens Hainmueller (2015). “Comparative politics and the synthetic control method”. *American Journal of Political Science* 59 (2), 495–510. DOI: [10.1111/ajps.12116](http://dx.doi.org/10.1111/ajps.12116)

## 6 Asymmetric impulse responses

- Regis Barnichon and Christian Matthes (2017). “Functional approximations of impulse responses (fair): new insights into the asymmetric effects of monetary policy”. Mimeo. San Francisco Fed

## 7 Sign restrictions

- Christiane Baumeister and James D. Hamilton (2015). “Sign restrictions, structural vector autoregressions, and useful prior information”. *Econometrica* 83 (5), 1963–1999. DOI: [10.3982/ECTA12356](http://dx.doi.org/10.3982/ECTA12356)
- Christiane Baumeister and James D. Hamilton (2017). “Inference in structural vector autoregressions when the identifying assumptions are not fully believed: re-evaluating the role of monetary policy in economic fluctuations”. Mimeo. University of Notre Dame