

Calendar of activities

Ph. D. class Universidad Carlos III de Madrid Academic Year 2020-21

Evi Pappa

Office: 15.1.61

E-mail address: ppappaeco.uc3m.es Office hours: Thursdays, 11:00-13:00

Here we describe our activities, which may be subject to time variation.

Week 1: Overview

*Lawrence H. Summers. The Scientific Illusion in Empirical Macroeconomics. The Scandinavian Journal of Economics, 93(2):pp. 129–148, 1991.

<http://www.jstor.org/stable/3440321>

Week 2: Monetary and fiscal policy: Theory

Marianne Baxter and Robert G. King. Fiscal Policy in General Equilibrium. The American

Economic Review, 83(3):pp. 315–334, 1993. <http://www.jstor.org/stable/2117521>

Michael Woodford. Interest and Prices. Princeton University Press, 2003. [http://press.](http://press.princeton.edu/titles/7603.html)

[princeton.edu/titles/7603.html](http://press.princeton.edu/titles/7603.html), Chapter 3

*Michael Woodford. Simple Analytics of the Government Expenditure Multiplier. American Economic Journal: Macroeconomics, 3(1):1–35, September 2011. <http://www.aeaweb.org/articles.php?doi=10.1257/mac.3.1.1>

Lawrence Christiano, Martin Eichenbaum, and Sergio Rebelo. When Is the Government Spending Multiplier Large? Journal of Political Economy, 119(1):pp. 78–121, 2011.

<http://www.jstor.org/stable/10.1086/659312>

Jesús Fernández-Villaverde, Grey Gordon, Pablo Guerrón-Quintana, and Juan F. Rubio-Ramírez.

Canova, F. & Pappa, E. (2020), “What are the likely macroeconomic effects of the EU Recovery plan?”, mimeo.

Week 3 and 4: Monetary and fiscal policy: TANK and HANK models

Acharya, S and K. Dogra, “Understanding HANK: Insights from a PRANK,” available at:
<https://sushantacharya.github.io/sushantacharya.github.io/pdfs/prank.pdf>

Kaplan, Moll and Violante: “Monetary Policy According to HANK,” available at:
<http://economics.mit.edu/files/11200/>

P.J. Kehoe, V. Midrigan, E. Pastorino and S. Salgado “On the Dynamic Effects of Monetary Policy with Heterogeneous Agents” available at:
<https://drive.google.com/file/d/1lscogsGlijblq6aDVQGtyOcXiKBa28Pv/view>

Gergo Motyvovzski, Monetary-Fiscal Interactions and Redistribution in Small Open Economies, mimeo 2020

Week 5: Monetary and fiscal policy: VARs

James D. Hamilton. Time Series Analysis. Princeton University Press, 1994, Chapters 10 and 11

Oscar Jordà. Estimation and Inference of Impulse Responses by Local Projections. American Economic Review, 95(1):161–182, 2005. <http://www.aeaweb.org/articles.php?doi=10.1257/0002828053828518>

Alan J. Auerbach and Yuriy Gorodnichenko. Fiscal Multipliers in Recession and Expansion. In Alberto Alesina and Francesco Giavazzi, editors, Fiscal Policy after the Financial Crisis. The University of Chicago Press, 2013. <http://www.nber.org/papers/w17447.pdf>

Ben S. Bernanke and Ilian Mihov. Measuring Monetary Policy. The Quarterly Journal of Economics, 113(3):869–902, 1998. <http://qje.oxfordjournals.org/content/113/3/869>

Lawrence J. Christiano, Martin Eichenbaum, and Charles L. Evans. Chapter 2 Monetary policy shocks: What have we learned and to what end? volume 1, Part A of Handbook of Macroeconomics, pages 65 – 148. Elsevier, 1999. doi: [http://dx.doi.org/10.1016/S1574-0048\(99\)01005-8](http://dx.doi.org/10.1016/S1574-0048(99)01005-8). <http://www.sciencedirect.com/science/article/pii/S1574004899010058>

*Olivier Blanchard and Roberto Perotti. An Empirical Characterization of the Dynamic Effects of Changes in Government Spending and Taxes on Output. The Quarterly Journal of Economics, 117(4):1329–1368, 2002. <http://qje.oxfordjournals.org/content/117/4/1329>

*Ben S. Bernanke, Jean Boivin, and Piotr Elias. Measuring the Effects of Monetary Policy: A Factor-Augmented Vector Autoregressive (FAVAR) Approach. The Quarterly Journal of Economics, 120(1):387–422, 2005. <http://qje.oxfordjournals.org/content/120/1/387.abstract>

*Andrew Mountford and Harald Uhlig. What are the effects of fiscal policy shocks? Journal of Applied Econometrics, 24(6):960–992, 2009. <http://dx.doi.org/10.1002/jae.1079>

Week 6: Monetary and fiscal policy: Narrative approach

*Christina D. Romer and David H. Romer. Does Monetary Policy Matter? A New Test in the Spirit of Friedman and Schwartz. In Olivier Jean Blanchard and Stanley Fischer, editors, NBER Macroeconomics Annual, volume 4, pages 121–184. MIT Press, 1989. <http://emlab.berkeley.edu/users/cromer/MacroAnnual1989.pdf>

*Christina D. Romer and David H. Romer. The Macroeconomic Effects of Tax Changes: Estimates Based on a New Measure of Fiscal Shocks. *American Economic Review*, 100(3):763–801, 2010. <http://www.aeaweb.org/articles.php?doi=10.1257/aer.100.3.763>

*Robert J. Barro and Charles J. Redlick. Macroeconomic Effects From Government Purchases and Taxes. *The Quarterly Journal of Economics*, 126(1):51–102, 2011. <http://qje.oxfordjournals.org/content/126/1/51>

Valerie A. Ramey. Identifying Government Spending Shocks: It's all in the Timing. *The Quarterly Journal of Economics*, 126(1):1–50, 2011. <http://qje.oxfordjournals.org/content/126/1/1>

*Karel Mertens and Morten O. Ravn. The Dynamic Effects of Personal and Corporate Income Tax Changes in the United States. *American Economic Review*, 103(4):1212–47, 2013. <http://www.aeaweb.org/articles.php?doi=10.1257/aer.103.4.1212>

Week 7: Fiscal policy: Cross-sectional evidence

David S. Johnson, Jonathan A. Parker, and Nicholas S. Souleles. Household Expenditure and the Income Tax Rebates of 2001. *American Economic Review*, 96(5):1589–1610, 2006. <http://www.aeaweb.org/articles.php?doi=10.1257/aer.96.5.1589>

*Jonathan A. Parker, Nicholas S. Souleles, David S. Johnson, and Robert McClelland. Consumer Spending and the Economic Stimulus Payments of 2008. *American Economic Review*, 103 (6):2530–53, 2013. <http://www.aeaweb.org/articles.php?doi=10.1257/aer.103.6.2530>

*Gabriel Chodorow-Reich, Laura Feiveson, Zachary Liscow, and William Gui Woolston. Does State Fiscal Relief during Recessions Increase Employment? Evidence from the American Recovery and Reinvestment Act. *American Economic Journal: Economic Policy*, 4(3):118–45, September 2012. <http://www.aeaweb.org/articles.php?doi=10.1257/pol.4.3.118>

*Emi Nakamura and Jon Steinsson. Fiscal Stimulus in a Monetary Union: Evidence from US Regions. *American Economic Review*, 104(3):753–92, 2014. <http://www.aeaweb.org/articles.php?doi=10.1257/aer.104.3.753>

*Joshua Hausman. Fiscal Policy and Economic Recovery: The Case of the 1936 Veterans' Bonus. 2013. http://behl.berkeley.edu/files/2013/02/WP2013-06_Hausman.pdf

Emmanuel Farhi and Ivan Werning. Fiscal Multipliers: Liquidity Traps and Currency Unions. Harvard University mimeo., 2012

Canova, F. & Pappa, E. (2020), "What are the likely macroeconomic effects of the EU Recovery plan?", mimeo.

Canova, F. Should we trust cross-sectional multiplier estimates? Mimeo available at: https://drive.google.com/file/d/1VOBWbH5FGRpsRDrd-i1hUf1upHm3NxL_/view

Week 8: students' presentations