کارگاه سیاست مالی دولت:

مطالعات تجربی تأثیرات اقتصاد کلان تغییر در مخارج دولت و مالیات‌ها

Workshop on Fiscal Policy:

Empirical Studies of Macroeconomic Effects of Changes in Government Spending and Taxes

مدرس: دکتر روح‌الله اسکندری (دانشگاه میلان ایتالیا)

۲۱ و ۲۲ مرداد ۹۶

مدت دوره ۱۲ ساعت (از ساعت ۹ الی ۱۷)

شهریه دوره ۲۴۰ تومان به همراه نهار (۵۰٪ تخفیف دانشجویی

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Seminar Description

The debate concerning the effects of fiscal policy shocks on macroeconomic aggregates is wide and the recent Great Recession (2007-2009) has raised again several fundamental issues in regard to the size and also the sign of fiscal multipliers. After the global financial crisis, many OECD countries first implemented a massive expansionary fiscal policy to dampen the recessionary effects of the crisis and therefore faced public debt burdens, the focus has now shifted towards fiscal austerity. In this seminar, we will discuss research papers at the frontier of this debate. The seminar will introduce you to the state-of-the-art in the empirical analysis of fiscal policy. We will review basic consents and theories of fiscal policy and then discuss different methods of identifying exogenous shifts in government spending and tax shocks, which is the main challenge in fiscal policy. We will also talk about how to design a fiscal consolidation program, the role of the zero lower bound for interest rates and the state-dependent macroeconomic effects of fiscal policy. Finally, we will analyze the impact of government expenditure shocks on macroeconomics activities in Iran.

Seminar Outline

- Introduce participants to important papers and research questions in fiscal policy with high empirical content.
- Introduce participants to a variety of empirical methods and data sources that can be used to test, calibrate and develop models of interest for fiscal policy and related fields.
- Inspire participants to think about best practices in empirical works, and how to combine creativity, tools, and high standards to produce successful research.

- Assist participants in collecting data and getting "their hands dirty" with replication of some papers.

Prerequisites

You are expected to be comfortable with basic micro and macro, time series econometrics and linear algebra. No prior programming experience is necessary to understand and follow the majority of the content, but having a basic knowledge of MATLAB and/or STATA will be helpful for some topics.

Course Plan and Topics

The following seminar plan is just indicative. The time devoted to each topic and the list of subjects may change according to the requirements of the seminar. The reading list below includes many papers on each topic. **STARED (*) PAPERS** will be discussed in more details and could be replicated. This reading list is a useful bibliographic reference so that you may concentrate on topics that interest you.

Sessions 1-2: Basic Concepts of Fiscal Policy

- Olivier J. Blanchard and Stanley Fischer. Lectures on Macroeconomics. MIT Press (1989).
- David Romer. Advanced Macroeconomics. McGraw-Hill, Fourth Edition (2012).

1. Fiscal Multipliers (Government Spending and Tax Multipliers)

- *Blanchard and Roberto Perotti (2002). "An empirical characterization of the dynamic effects of changes in government spending and taxes on output." Quarterly Journal of Economics 117 (4).
- *Valerie A. Ramey (2013a). "Government Spending and Private Activity". Fiscal Policy After the Financial Crisis eds. Alberto Alesina and Francesco Giavazzi, University of Chicago Press.
- Valerie A. Ramey (2016). "Macroeconomic Shocks and Their Propagation". Handbook of Macroeconomics, Section 4.
- Roberto Perotti (2012). "The Effects of Tax Shocks on Output: Not So Large, But Not Small Either". American Economic Journal: Economic Policy vol. 4, no. 2.

2. Estimating Impulse Responses (IRFs)

- *Roberto Perotti (2008). "In Search of the Transmission Mechanism of Fiscal Policy." In NBER Macroeconomics Annual 2007, Volume 22, edited by Daron Acemoglu, Kenneth Rogoff, and Michael Woodford, 169226. Chicago: University of Chicago Press.

3. Summary of the Main Results from the Literature

- *Valerie A. Ramey (2016). "Macroeconomic Shocks and Their Propagation". Handbook of Macroeconomics, Section 4.

- Valerie A. Ramey (2011b). “Can government purchases stimulate the economy.”? Journal of Economic Literature 49, no. 3: 673-685.
- Alberto Alesina and Francesco Giavazzi (2013). “Fiscal Policy after the Financial Crisis”. Introduction. University of Chicago Press.
- Ethan Ilzetski, Enrique G. Mendoza, and Carlos A. Vgh (2013). “How Big (Small)? are Fiscal Multipliers?”. Journal of Monetary Economics, Elsevier, vol. 60(2), pages -239 .254.

4. Fiscal Foresight and Anticipated Fiscal Shocks

- *Eric M. Leeper, Todd B. Walker and Shu-Chun Susan Yang (2013). “Fiscal Foresight and Information Flows”. Econometrica 81 (3), 1115-1145.
- Eric Sims (2012). “News, non-invertibility, and structural VARs”. Advances in Econometrics 81135 ,28
- Mario Forni and Luca Gambetti (2010). “Fiscal foresight and the effects of government spending”. CEPR Discussion Papers 7840.
- *Karel Mertens and Morten O. Ravn (2012). “Empirical evidence on the aggregate effects of anticipated and unanticipated US tax policy shocks”. American Economic Journal: Economic Policy 4 (2), 14581.
- Karel Mertens and Morten O. Ravn (2011). “Understanding the Aggregate Effects of Anticipated and Unanticipated Tax Policy Shocks”. Review of Economic Dynamics (1)14 .54–27,

Sessions 3-4: Identification of Exogenous Fiscal Shocks:

- *Valerie A. Ramey (2016). “Macroeconomic Shocks and Their Propagation”. Handbook of Macroeconomics, Section 2.

5. Structural Vector Autoregressive (SVAR) Approach

- *Roberto Perotti (2008). “In Search of the Transmission Mechanism of Fiscal Policy.” In NBER Macroeconomics Annual 2007, Volume 22, edited by Daron Acemoglu, Kenneth Rogoff, and Michael Woodford, 169226. Chicago: University of Chicago Press.
- Olivier J. Blanchard and Roberto Perotti (2002). “An empirical characterization of the dynamic effects of changes in government spending and taxes on outpu”. Quarterly Journal of Economics 117 (4), 13291368.
- Roberto Perotti (2014). “Defense Government Spending Is Contractionary, Civilian Government Spending Is Expansionary”. NBER Working Paper No. 20179.

6. Narrative Approach

- *Valerie A. Ramey (2011a). “Identifying government spending shocks: its all in the timing”. Quarterly Journal of Economics 126 (1), 150.
- *Christina D. Romer and David H. Romer (2010). “The macroeconomic effects of tax changes: estimates based on a new measure of fiscal shocks”. American Economic Review 100 (3), 763801.

- Karel Mertens and Morten O. Ravn (2014). “A Reconciliation of SVAR and Narrative Estimates of Tax Multipliers”. Journal of Monetary Economics vol. 68, Supplement, Pages S1-S19.
- James Cloyne (2013). “Discretionary tax changes and the macroeconomy: new narrative evidence from the United Kingdom”. American Economic Review 103 (4), 150728.
- Ruhollah Eskandari and Morteza Zamanian (2017). “Tax Policy and Investment Behavior of Small and Large Firms”. Bocconi University, working paper.

7. Sign Restrictions

- Andrew Mountford and Harald Uhlig (2009). “What are the effects of fiscal policy shocks?”. Journal of Applied Econometrics 24 (6), 960992.

8. Mixed Approach

- *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 .121247 ,(4)
- James H. Stock and Mark W. Watson (2007). “Why Has US Inflation Become Harder to Forecast?”. Journal of Money, Credit, and Banking 39(1): 3(33).

9. Exploration with Several Identified Shocks

- Ryan Chahrour, Stephanie Schmitt-Groh, and Martn Uribe (2012). “A Model-Based Evaluation of the Debate on the Size of the Tax Multiplier”. American Economic Journal: Economic Policy, 4(2): 2845.
- Alberto Alesina and Francesco Giavazzi (2013). “Fiscal Policy after the Financial Crisis”. Introduction and chapter 1. University of Chicago Press.
- Carlo Favero and Francesco Giavazzi (2012). “Measuring Tax Multipliers: The Narrative Method in Fiscal VARs”. American Economic Journal: Economic Policy 4 (2).69 :

Sessions 5-7: Case Studies

- Alberto Alesina and Francesco Giavazzi (2013). “Fiscal Policy after the Financial Crisis”. Introduction. University of Chicago Press.

10. Fiscal consolidation

- *Jaime Guajardo, Daniel Leigh, and Andrea Pescatori (2011). “Expansionary austerity: new international evidence”. IMF Working Papers 11/158.
- *Alberto Alesina, Carlo Favero, and Francesco Giavazzi (2015). “The output effect of fiscal consolidations”. Journal of International Economics, Volume 96, Pages S19-S42.
- Francesco Giavazzi and Marco Pagano (1990). “Can severe fiscal contractions be expansionary? Tales of two small European countries”. NBER Macroeconomics Annual. Ed. by Olivier J. Blanchard and Stanley Fischer. Vol. 5. Cambridge, MA: MIT Press, .75122

- Roberto Perotti (2013). “The “austerity myth”: Gain without pain?”. Fiscal policy after the financial crisis. Ed. by Alberto Alesina and Francesco Giavazzi. Chicago: Chicago University Press, 307 354.
- Alberto Alesina and Silvia Ardagna (2013). “The design of fiscal adjustments”. Tax policy and the economy. Ed. by Jeffrey R. Brown. Vol. 27. Chicago: University of Chicago Press, 1968.
- Alberto Alesina et al. (2015). “Austerity in 2009-2013”. OXFORD UNIVERSITY PRESS, pp. 383437

11. Fiscal Policy at the Zero Lower Bound for Interest Rates

- *Lawrence J. Christiano, Martin Eichenbaum, and Sergio Rebelo (2011) "When is the government spending multiplier large?”. Journal of Political Economy .121 78 ,(1) 119
- J. Bradford DeLong and Lawrence H. Summers (2012). “Fiscal policy in a depressed economy”. Brookings Papers on Economic Activity 44 (1 (Spring)), 233297.
- Karel Mertens and Morten O. Ravn (2014b). “Fiscal policy in an expectations-driven liquidity trap”. Review of Economic Studies 81 (4), 16371667.

12. Fiscal Policy and the State of the Economy

- *Alan J. Auerbach and Yuriy Gorodnichenko (2012). “Measuring the output responses to fiscal policy”. American Economic Journal: Economic Policy 4 (2), 127.
- *Valerie A. Ramey and Sarah Zubairy (2017). “Government Spending Multipliers in Good Times and in Bad: Evidence from 20th Century Historical Data.” forthcoming, Journal of Political Economy.
- *Ruhollah Eskandari (2015). State-Dependent Macroeconomic Effects of Tax Changes: Estimates Based on Narrative Records”. University of Milan, working paper.
- Roberto Perotti (1999). “Fiscal policy in good times and bad”. Quarterly Journal of Economics 114 (4), 13991436.
- Alan J. Auerbach and Yuriy Gorodnichenko (2013a). “Fiscal multipliers in recession and expansion”. Fiscal policy after the financial crisis. Ed. by Alberto Alesina and Francesco Giavazzi. Chicago: University of Chicago Press, 6398.
- Giovanni Caggiano, Efrem Castelnuovo, Valentina Colombo, and Gabriela Nodari “.(2015)Estimating Fiscal Multipliers: News From A Non-linear World”. Economic Journal 125(584): 746776.

Session 8: Iran

13. Government Spending Shocks

14. Existing Empirical Studies

- *Ramezan Ali Marvi, Masoud Nili, and Morteza Zamanian (2017). “The dynamic effects of government spending shocks on output in good times and bad times: evidence from Iran”. Sharif University of Technology, working paper.

- پروین، سهیلا، بهرامی، جاوید و وحیدی، سحر (۱۳۹۱). "تأثیر شوک‌های مالی بر تولید و سطح قیمت در ایران با استفاده از الگوی خود رگرسیون برداری ساختاری"، فصلنامه مدل سازی اقتصادی، سال ششم، شماره ۴، ص ۳۹-۲۱.