Programme 1: Developing new methodologies

1.A Expectations and bounded rationality

   - Plan 2013-2014 - present at the 28th NBER Macro Annual conference and submit to conference proceedings.

   - Plan 2013-14 - write a working paper.
   - Progress 2013-14 - objective accomplished.
   - Plan 2014-15 - write a follow-up paper which extends the model to firm-worker relationships and submit the paper to an academic journal.

3. "Optimal monetary policy with learning, at the zero lower bound" by Tony Yates.

Projects 1.B.3 and 5.A.1 also fall in this category.

1.B Nonlinearities and heterogeneity

   - Plan 2013-14 - submit to an academic journal.
   - Progress 2013-14 - submitted to academic journal.
   - Plan 2014-15 - revise and resubmit to academic journal.

   - Plan 2013-14 - write working paper.
   - Progress 2013-14 - model and identification complete. Estimation is in progress and on track to complete objective of writing a working paper.
   - Plan 2014-15 - circulate working paper for comments and submit paper to academic journal.

3. "Unemployment Fears, Precautionary Savings, and Low Aggregate Demand" by Wouter den Haan, Pontus Rendahl and Markus Riegler.
   - Plan 2013-14 - develop new algorithm and write working paper.
   - Progress 2013-14 - new algorithm has been developed and preliminary version presented at IMF conference on computational methods. Also, a co-author has been added.
   - Plan 2014-15 - optimize algorithm, present results at conferences/universities, and get a polished working paper.

4. "Explaining an algorithm for computing optimal discretionary policy at the
zero lower bound with many state variables” by Charles Brendan, Matthias Paustian, and Tony Yates.
  • Project 5.A.2 also falls in this category.

1. C Empirical techniques to deal with time-varying relationships, heterogeneity, and nonlinearities

1. "Indirect Likelihood Inference" by Michael Creel and Dennis Kristensen.
   o Plan 2013-14 - submit to an academic journal.
   o Progress 2013-14 - submitted to academic journal.

2. "Implementation and Estimation of Discrete Markov Decision Models Using Sieves" by Dennis Kristensen and Bertel Scherning.
   o Plan 2013-14 - write working paper.
   o Progress 2013-14 - working paper 50% done.

   o Plan 2013-14 - write a working paper.
   o Progress 2013-14 - working paper 50% finished.

4. "From Time-Varying VARs to Time-Varying DSGE estimates" by Liudas Giratis, George Kapetanios, Kostas Theodoridis, and Tony Yates.
   o Progress 2013-14 - revision and circulation of paper.

5. "Evolving US and UK Macroeconomic Dynamics through the Lens of Model of Deterministic Structural Change" by George Kapetanios and Tony Yates.
   o Plan 2013-14 - revise and resubmit paper to Empirical Economics.
   o Progress 2013-14 - paper accepted for publication in Empirical Economics.
   Project completed.

6. "Incorporating theoretical restrictions into Forecasting by Projection Methods" by Raffaella Giacomini and Giuseppe Ragusa.
   o Plan 2013-14 - revise and resubmit paper to Journal of Econometrics.
   Project completed.

   o Plan 2013-14 - write a working paper.
   o Progress 2013-14 - paper submitted (with new title “GMM with latent variables” and currently under revision.
   o Plan 2014-15 - revise or submit to different journal in the event of rejection.

8. "Anchoring the yield curve using survey expectations" by Carlo Altavilla, Raffaella Giacomini, and Giuseppe Ragusa.
   o Plan 2014-15 - write first draft of paper and present at conferences.
10. Write a paper using tvp methods to estimate a time varying dynamic factor model which scrutinizes Stock and Watsons [NBER macro annual] by George Kapetanios and Tony Yates.

1D. Using cross-sectional information to learn about macroeconomics

1. "Dissecting the Effect of Credit Supply on Trade: Evidence from Matched Credit-Export Data" by Daniel Paravisini, Veronica Rappoport, Philipp Schnabl, and Daniel Wolfenzon.
   o Plan 2013-14 - authors are currently working on a requested revision for the Review of Economic Studies.
   o Progress 2013-14- revised version of the paper submitted to the Review of Economic Studies. Authors received further suggestions from the editor.
   o Plan 2013-14 - empirical results will be presented at a CeMMAP Housing conference May 23-24. Authors plan to write a working paper on the background empirical analysis.
   o Progress 2013-14 - empirical results presented at CeMMAP Housing conference May 23-24.
   o Plan 2014-15 - authors to write a working paper on the background empirical analysis.
Programme 2: Consequences of fiscal austerity plans and high debt levels

2. Fiscal policy during recessions:

1. “How Big (Small?) Are Fiscal Multipliers” by Ethan Ilzetzki, Enrique Mendoza and Carlos Vegh.
   - Plan 2013-14 - paper submitted at the Journal of Monetary Economics and accepted. Final version to be submitted.
   - Progress 2013-14: Paper submitted at the Journal of Monetary Economics and accepted with minor revisions.
   - Plan 2014-15: Final version to be submitted to the Journal of Monetary Economics.

   - Plan 2013-14 - paper submitted at the American Economic Review and accepted. Final version to be submitted.
   - Progress 2013-14: Published in the American Economic Review in June 2013. Project completed.

   - Plan 2013-14 - paper submitted at the American Economic Review and accepted. Final version to be submitted.

   - Plan 2013-14 - complete project over the coming months and submit to an academic journal.

5. "The local dimension of the fiscal multiplier: A quasi-experiment with the Italian Maffia" by Antonio Acconcia, Giancarlo Corsetti, and Saverio Simonelli.
   - Plan 2013-14 - revise and resubmit this paper to the American Economic Journal.

   - Plan 2013-14 - complete the empirical work and write a working paper.
   - Progress 2013-14 - empirical work continued.
   - Plan 2014-15 - continue empirical work and write a working paper.

7. "The multiplier effects of fiscal consolidation" by Giancarlo Corsetti together with students in Cambridge.
   - Plan 2013-14 - complete the empirical work and write a working paper.
   o Plan 2013-14 - polish working paper, obtain feedback, and submit to academic journal.
   o Progress 2013-14 - revision work done on working paper.
   o Plan 2014-15 - revise paper and submit to academic journal.

   o Plan 2013-14 - finish working paper, obtain feedback, and submit to academic journal.
   o Progress 203-14 - working paper being revised.
   o Plan 2014-15 - finish working paper, obtain feedback, and submit to academic journal.

    o Plan 2013-14 - write working paper.
    o Progress 2013-14 - working paper partially completed
    o Plan 2014-15 – complete working paper

    o Plan 2013-14 - write working paper.
    o Progress 2013-14 - working paper not completed.

    o Plan 2013-14 - revise and resubmit paper to Economic Journal. Also, a multi-country version of the model is the topic of an invited contribution to the Carnegie- Rochester-NYU conference series in April 2013.
    o Progress 2013-14 - revision completed.
    o Plan 2014-15 - Revise and resubmit paper to a journal.

    o Plan 2014-15 - this paper has been revised and resubmitted to the Journal of International Economics. Awaiting decision on resubmission.

2.B Fiscal Policy when Debt is High

1. “Weak States and Steady-States: The Dynamics of Tax Capacity” by Ethan Ilzertzki, Tim Besley and Torsten Persson.
   Project completed.

   o Plan 2013-14 - revise and resubmit paper to Economic Journal. Also, a multi-country version of the model is the topic of an invited contribution to the Carnegie- Rochester-NYU conference series in April 2013.
   o Progress 2013-14 - revision completed.
   o Plan 2014-15 - Revise and resubmit paper to a journal.

3. Austerity Plans and Signalling by Ethan Ilzetzki.
   o Plan 2013-14 - write a working paper.
 Progress 2013-14 - working paper partially completed.

 4. **Rigidities and Fiscal Policy** by Pascal Michaillat and Emmanuel Saez.
   - Plan 2013-14 - write working paper.
   - Progress 2013-14 - two working papers circulated for comment, entitled “A Model of Aggregate Demand and Unemployment”, focuses on fiscal policy and “An Economical Business Cycle Model”, focuses on monetary policy.

 5. **Fiscal Austerity and Political Dysfunction** by Allan Drazen and Ethan Ilzetzki.
   - 2014-15 Plan - write a working paper.

 6. **Household debt and the dynamic effects of income tax changes** by James Cloyne and Paolo Surico.

 7. “**Medicaid Insurance in Old Age**” by Mariacristina De Nardi, Eric French and John Jones.
   - Plan 2014-15 - submit to a journal.

2.X Related projects

1. "**The political-Economy of the Greek Debt Crisis: A Tale of Two Bailouts**" by Silvia Ardagna and Francesco Caselli.
   - Progress 2013-14 - further revision of paper invited, revision done, now accepted for publication.

2. "**On the Relationship between Mobility, Population Growth, and Capital Spending in the United States,**" by Marco Bassetto and Leslie McGranahan
   - Plan 2014 – 15 - submit to academic journal.
Programme 3: Interaction between financial markets, monetary policy, and the macroeconomy

3.A Financial markets and business cycle

1. "Stock Prices and Monetary Policy in General Equilibrium" by Edouard Challe and Chryssi Giannitsarou.
   o Plan 2013-14 - finish working paper, obtain feedback, and submit to academic journal.
   o Progress 2013-14 - working paper not completed.
   o Plan 2014-15 - finish working paper, obtain feedback, and submit to academic journal.
2. "Competitive devaluation" by Paul Bergin and Giancarlo Corsetti.
   o Plan 2013-14 - write a working paper.
   o Progress 2013-14 - working paper not completed.
3. "Search-Based Endogenous Illiquidity and the Macroeconomy" by Wei Cui and Soren Radde.
   o Plan 2014-15 - submit to academic journal.
4. "Delayed Capital Reallocation" by Wei Cui.
   o Plan 2014-15 - finish working paper, obtain feedback, and submit to academic journal.
   o Plan 2014-15 - working paper published; will obtain feedback, and submit to academic journal.
   o Plan 2014-15 - complete empirical work; finalise working paper draft and submit to journal.
7. “Shadow banks and macroeconomic instability” by Roland Meeks, Ben Nelson and Piergiorgio Alessandri.
8. “Mortgages and monetary policy” by Carlos Garriga, Finn Kydland and Roman Sustek.
   o Plan 2014-15 - obtain feedback, and submit to an academic journal.

3.B Policies to prevent crises

1. "Co-ordinating monetary and macroprudential policies" by Bianca de Paoli and Matthias Paustian.
   o Plan 2013-14 - submit to an economic journal.
   o Progress 2013-14 - continue working and submit to an economic journal.
   o Plan 2014-15 - submit to academic journal.
2. “Macroprudential capital regulation in general equilibrium” by Ben Nelson and Gabor Pinter.
3.C Policies during and after crises

1. "Central Banks as Lender of Last Resort in the Sovereign Debt Market" by Giancarlo Corsetti, Luca Dedola, and Sylvain Leduc.
   - Plan 2013-14 - write a working paper.
   - Progress 2013-14 - working paper not completed.

2. "The Pitfalls of Speed Limit Interest Rate Rules at the Zero Lower Bound" by Charles Brendan, Matthias Paustian, and Tony Yates.
   - Plan 2013-14 - submit to an economic journal.
   - Progress 2013-14 - re-work and submit to economic journal.
   - Plan 2014-15 - depending on outcome, revise and resubmit.

3. The macroeconomic effects of monetary policy: A new measure for the United Kingdom” by James Cloyne and Patrick Huertgen.
   - Plan 2014-15 - complete draft working paper. Present at conferences and submit to an academic journal.


5. “Speculative Runs on Interest Rate Pegs” by Marco Bassetto and Christopher Phelan.
   - Plan 2014-15 - submit to academic journal.

6. “QE and the Bank Lending Channel in the UK” by Nick Butt, Rohan Churm, Michael McMahon, Arpad Morotz & Jochen Schanz.
   - Plan 2014-15 - write a working paper and present at conferences.

7. “Credit traps and credit policies” by Angus Foulis, Ben Nelson, and Misa Tanaka.
   - Plan 2014-15 - complete working paper and submit to journal.

Projects 1.A.3 and 1.B.4 also fall in this category.

3.X Related Projects

1. “Credit Crunches and Credit Allocation in a Model of Entrepreneurship,” by Marco Bassetto, Marco Cagetti, and Mariacristina De Nardi.
   - Plan 2014-15 - resubmit to academic journal.

2. "Inflation Dynamics and Marginal Costs: the Crucial Role of Hiring and Investment Frictions" by Renato Faccini, and Eran Yashiv.
   - Plan 2014-15 - complete the draft, submit to conferences and get feedback.

   - Plan 2014-15 - awaiting decision on revision prepared and sent back to Journal of Monetary Economics.

4. “First Impressions Matter: Signalling as a Source of Policy Dynamics” by
Stephen Hansen and Michael McMahon.

5 “Transparency and Communication within the FOMC: A computational linguistics approach” by Stephen Hansen, Michael McMahon and Andrea Prat.
  o Plan 2014-15 - complete empirical analysis and write a first draft of working paper.
Programme 4: Shifts in the world economy and their consequences

4.A Understanding differences across countries

1. "The Geography of Interstate Resource Wars" by Francesco Caselli, Dominic Rohner, and Massimo Morelli.
   - Plan 2013-14 - finish working paper, obtain feedback, and submit to an academic journal.

2. "Trade and Institutions" by Bernardo Guimares and Kevin Sheedy.
   - Plan 2013-14 - write a working paper.
   - Progress 2013-14 - working paper not completed.
   - Plan 2014-15 – complete working paper.

3. "International Transmission through Relative Prices" by Keyu Jin and Nan Li.
   - Plan 2013-14 - finish working paper, obtain feedback, and submit to an academic journal.
   - Progress 2013-14 - working paper not completed.
   - Plan 2014-15 - finish working paper, obtain feedback, and submit to an academic journal.

   - Plan 2013-14 - programme the estimation codes, perform estimation, obtain (preliminary) results and write a first draft.
   - Progress 2013-14 - empirical analysis not completed.


4.B Growth enhancing macroeconomic policies

1. "Why did Industrial Policy worked so Differently in east Asia and Latin America?" by Francesco Caselli, John Coleman, and Christian Siegel.
   - Plan 2013-14 - improving the theoretical model, designing the code and developing the calibration strategy
   - Progress 2013-14 - worked through various versions of the model, but still unsatisfied. Still trying to figure out best angle/modelling strategy.
   - Plan 2014-2015 - more of the same. There is an interesting idea at the core of this project but has not blossomed yet.

2. "Diversification through Trade" by Francesco Caselli, Miklos Koren, Milan Lisiky, and Silvana Tenreyro.
   - Plan 2013-14 - developing a multi-sector extension, collecting data and developing the code for the multi-sector extension.
Progress 2013-14 - pretty much according to plan. Very close to a finished version.

Plan 2014-2015 - complete finishing touches and submit to a journal.

3. "The Effects of Credit Subsidies on Development" by António Antunes, Tiago Cavalcanti and Anne Villamil.

4. "The Output Cost of Discrimination: A Model Based Macroeconomic Estimate" by Tiago Cavalcanti and José Tavares.


6. “(Mis)Allocation Effects of an Overpaid Public Sector” by Tiago Cavalcanti and Marcelo Santos.
   - Plan 2014-15 - improving the theoretical model, designing the code and developing the calibration strategy.

4.C Global imbalances

   - Plan 2013-14 - complete data collection and empirical analysis. Write first draft.

4.X Related Projects

1. “Consistency of estimates of world output and consumption over space and time” Nicholas Oulton.
Programme 5: Labour markets; unemployment levels after a severe crisis and long-term prospects

5.A Labour markets during (deep) recessions

1. "Job Uncertainty and Deep Recessions" by Morten Ravn and Vincent Sterk.
   - Plan 2013-14 - obtain feedback and submit to an academic journal.
   - Progress 2013-14 - feedback process currently being done.
   - Plan 2014-15 - continue with feedback process, refine and submit to academic journal.

   - Plan 2013-14 - revise and resubmit to Quantitative Economics.
   - Progress 2013-14 - paper has been revised and is now forthcoming in Quantitative Economics.

   - Plan 2014-15 - polish the working paper, present at conferences/universities and submit to journal.

   - Plan 2014-15 - obtain feedback, polish paper and submit to an academic journal. Analyze micro-data for potential follow-up project.

- Project 1.B.3 also falls under this category.

5.B Labour mobility

1. "Home Equity, Mobility, and Macroeconomic Fluctuations" by Vincent Sterk.
   - Plan 2013-14 - submit to an academic journal.
   - Progress 2013-14 - obtain feedback and submit to an academic journal.
   - Plan 2014-15 - continue with feedback process, refine and submit to academic journal.

5.C Labour market trends

1. "The Macro-dynamics of Sorting between Workers and Firms" by Jeremy Lise and Jean-Marc Robin.
   - Plan 2013-14 - write a working paper.
   - Progress 2013-14 - paper partially completed.

2. "Structural Transformation, Marketization and Female Employment" by Rachel Ngai and Barbar Petrongolo.
   - Plan 2013-14 - obtain feedback and submit to an academic journal.
   - Progress 2013-14 - circulate working paper for comments. Title changed to “gender gaps and the rise of the Service Economy”.
   - Plan 2014-15 - submit “gender gaps and the rise of the Service Economy” to an academic journal.

3. "Reassessing Labour Market Reforms: Temporary Contracts as a Screening
Device" by Renato Faccini.

5.X Related projects
1. "Hot and Cold Seasons in the Housing Market" by Rachel Ngai and Silvana Tenreyro.
   o Plan 2013-14 - revise and resubmit to American Economic Review.
   o Progress 2013-14 - resubmitted to American Economic Review, accepted for publishing.
   Project completed.