Séminaire « Monnaie – Banque - Finance – Assurance (MBFA) »
PARIS I – Panthéon – Sorbonne
Responsables : T. Chauveau et D. Guégan

Séminaire organisé par Jonathan Benchimol (CES, Paris 1, ESSEC)

Mercredi 14 avril 2010
17h à 19h15
MSE - 6ème étage

« Modèles dynamiques et stochastiques d'équilibre général (DSGE) »

Trend agnostic one step estimation of DSGE models

Intervenant: **Filippo Ferroni** (Banque de France and Universitat Pompeu Fabra)

Abstract: DSGE models are currently estimated with a two step approach: data is first transformed and then DSGE structural parameters are estimated. Two step procedures have disadvantages, ranging from trend mispecification to incorrect assumptions about the correlation between trend and cycles. In this paper, I present a one step method, where DSGE structural parameters are jointly estimated with filtering parameters. I show that different data transformations imply different structural estimates; the two step approach lacks a statistical-based criterion to select amongst them. The one step approach allows to choose the most likely trend specification for individual series and/or use the resulting information to construct robust estimates by Bayesian averaging. The role of the investment specific shock as source of GDP volatility is reconsidered.

Inference in models with adaptive learning

Intervenant: Guillaume Chevillon (ESSEC Business School and CREST-INSEE)

Abstract: Identification of structural parameters in models with adaptive learning can be weak, causing standard inference procedures to become unreliable. Learning also induces persistent dynamics, and this makes the distribution of estimators and test statistics non-standard. Valid inference can be conducted using the Anderson–Rubin statistic with appropriate choice of instruments. Application of this method to a typical new Keynesian sticky-price model with perpetual learning demonstrates its usefulness in practice.

Social VAT and public finance in a small open economy: the French case

Intervenant: **Julien Matheron** (Banque de France and University of Dauphine)

Abstract: Owing to the current crisis, the French public debt displays a marked upward trend. In the spirit of the Stability and Growth Pact, a fiscal reform designed to cope with these concerns (i) should not further deteriorate public finances and (ii) should promote competitiveness of the French economy. Against this backdrop, a policy proposal previously shun away, is likely to resurface: Social VAT. The reform reduces employer social contributions and uses value–added tax to make up for the lost fiscal revenues. We investigate this policy proposal within a small–open economy model calibrated to French data. Under a scenario in which only incremental VAT revenues are used to lower employer social contributions, we find that this policy proposal fails to promote growth and implies welfare losses. Under less stringent scenarios, with either a constant debt–output ratio or a declining debt level, we obtain more promising results.