

Macroeconometric modelling

8 Conclusions

Gunnar Bårdsen

CREATES

16-17 November 2009

At the model shop

At the model shop

What would you like?

At the model shop

What would you like?

- ▶ Communication

At the model shop

What would you like?

- ▶ Communication
- ▶ Reality check

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- ▶ Communication
- ▶ Reality check
- ▶ Forecasting

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- ▶ Policy analysis

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In stock

At the model shop

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In stock

- ▶ Calibrated theory

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- ▶ Calibrated theory
- ▶ VAR (Structural & Bayesian)

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- ▶ Calibrated theory
- ▶ VAR (Structural & Bayesian)
- ▶ Econometric model
- ▶ DSGE

What to take?

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Winnie the Pooh solution:
Yes, please.

The devil's dictionary

Apologies to Ambrose Bierce

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- ▶ Aggregate dynamic econometric models

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- ▶ DSGE & Microfoundations
 - ▶ Sophisticated naivety

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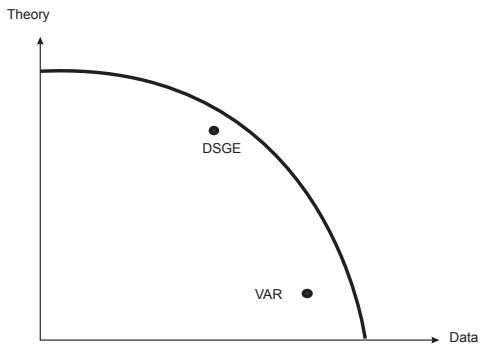
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 - ▶ **Must be transparent**
- ▶ Laboratory

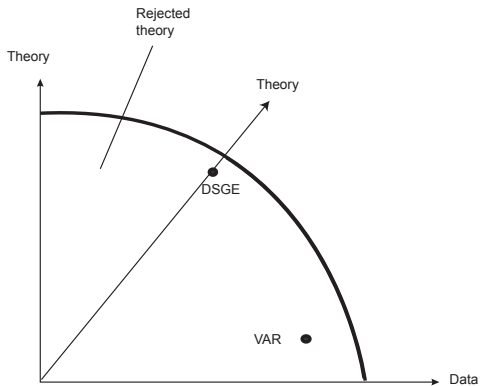
How much reality?

The Pagan frontier...



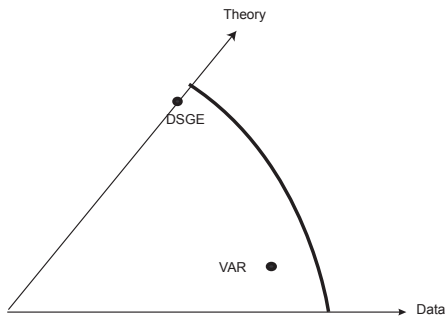
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Microfoundations...

The times they are achanging

Behavioural economics

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But see Backus, Routledge & Zin: "Exotic preferences for macroeconomists"

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- ▶ Cointegration provides the steady-state.