

Euro Area Business Cycle Network Training School

Practical DSGE Models

By

Fabio Canova

(BI Norwegian School of Management, EUI and CEPR)

Hosted by: Deutsche Bundesbank, Frankfurt

13-15 September 2017

Deadline: 6pm (UK time), Wednesday 24 May 2017

General Description

We are pleased to announce details of the latest EABCN Training School; a three-day course entitled “Practical DSGE Models”. Professor **Fabio Canova** will teach the course. It is primarily aimed at participants in the Euro Area Business Cycle Network but applications will also be considered from doctoral students, post-doctoral researchers and economists working in central banks and government institutions outside of the network, as well as commercial organisations (fees applicable for non-network organisations).

Course Contents

Every policy institution has among the tools available for economic analysis at least one DSGE model. However, numerous short cuts are taken to put the models on the data which have little theoretical justification. Moreover, data anomalies, identification problems and measurement issues makes the matching between the theory and the data difficult. Most models are generally of large scale and little attention is generally paid to issues like model misspecification, model evaluation, model reduction and re-specification. This course offers hints on how one can address these all these issues in a unified way and make economic analyses more robust.

To properly follow the course, participants must be familiar with DSGE models, with their solution and their classical and Bayesian estimation.

The programme will include:

- Bayesian estimation of DSGE models: a refresher. Identification issues.
- Choosing the variables to estimate DSGE models. Dealing with trends/non-balanced growth paths. Bridging models and data.
- Data Rich DSGEs, combining information from different sources. Role of measurement error. Singularity and estimation.
- Eliciting data-based priors, DSGE-VARs.
- Model Evaluation, model pruning and re-specification.
- Time varying DSGE models: solutions and estimation issues.
- Dealing with model misspecification.

How to apply:

The course will take place at the Deutsche Bundesbank in Frankfurt and participants will be invited to make their own arrangements regarding their travel, accommodation and meals. Further information will be available to successful applicants. **Candidates should apply by sending an email with your CV details to Amanda Vincent-Rous, in the CEPR events team (avincenrou@cepr.org) by 6pm (UK time), Wednesday 24 May, 2017.**

PhD students should also send a statement that specifies the ways participating in the school will be useful for their current research (max 300 words).

About the Instructor:

Fabio Canova is a professor of Macroeconomics at the Norwegian Business School, director of Training of the Florence School of Banking and Finance, Research associate with the Centre for Applied Macroeconomics and Petroleum Studies and the CEPR. He is also program director of the Budapest School of Central Bank Studies, Director of the International Association of Applied Econometrics, member of the scientific committee of the Euro Area Business Cycle network, a research visitor at the Norges Bank and editor of the Journal of Applied Econometrics.

In the past he has held the Pierre Werner chair in Monetary Union at the Robert Schumann Center for Advanced Studies (2012-2014), the ICREA Research Professorship at Universitat Pompeu Fabra (2006-2012) and he has been Professor of Econometrics at the European University Institute (2011-2014) and Chair in Monetary Economics and the University of Bern (2008).

He has published over 85 articles in international journals and his graduate textbook, *Methods for Applied Macroeconomic Research*, was published in 2007 by Princeton University Press and translated in Chinese in 2010.