

Summary of Activities 2013

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One of the core business products of the Globalization and Monetary Policy Institute since its creation in 2007 has been policy-relevant research that is circulated through the institute's dedicated working paper series.

As of the end of 2013, the institute had circulated 166 working papers, with 32 of those appearing in 2013.

A reasonable proxy for the impact of these working papers is the frequency with which papers are downloaded from the Bank's website. (The ultimate measure of impact is the frequency with which the papers—whether in working paper or published form—are cited.) Total downloads of institute working papers increased from 1,963 in 2012 to 2,207 in 2013. Abstract views were also up, from 4,563 to 7,840.

In terms of policy work, the institute launched a series of initiatives in 2013 to support President Richard Fisher in his Federal Open Market Committee duties.

The first of these initiatives was to develop a database of global economic indicators that will allow for standardization across briefings, international economic updates and speeches. The second was to develop a “nowcasting” model to allow for more accurate forecasting of global economic activity in real time. And the third was to develop a multicountry model that can be used for scenario analysis as part of the briefing process.

The institute made significant progress on all three initiatives, and a description of the database is provided in institute working paper no. 166. And Jian Wang independently published a book titled 还原真实的美联储 (*Demystifying the Fed*, Hangzhou, China: Zhejiang University Press).

Staff made progress on other fronts as well, presenting their work at a variety of research forums, moving papers through the publication process and initiating new projects. The institute also deepened its global network of research associates.

Academic Research

Journal acceptances in 2013 were down from 2012. Alexander Chudik's paper, “How Have Global Shocks Impacted the Real Effective Exchange Rates of Individual Euro Area Countries Since the Euro's Creation?” was accepted for publication in the *B.E. Journal of Macroeconomics*, and Anthony Landry's “Borders and Big Macs” was accepted for publication in *Economics Letters*.

At year-end, staff had papers under review at the *Journal of International Economics*, *Journal of Econometrics*, *Review of Economics and Statistics*, *Journal of Monetary Economics*, *Journal of Applied Econometrics*, *Journal of Economic Interaction and Coordination*, *Journal of Urban Economics* and *European Economic Review*.¹

Conferences

The institute organized three conferences during the year, the first with Shanghai's Fudan University, the London-based Center for Economic Policy Research and the Geneva-based Graduate Institute of International and Development Studies, and the other two with the Swiss National Bank.

“International Conference on Capital Flows and Safe Assets” was held in Shanghai in May as part of the Shanghai Forum and featured presentations on financial globalization, the role of safe assets in the global financial system and the global business cycle.

“The Effect of Globalization on Market Structure, Industry Evolution and Pricing,” cosponsored with the Swiss National Bank in May, was a sequel to an earlier joint conference and further explored the impact of economic integration in firms' pricing decisions. “Inflation Dynamics in a Post-Crisis Globalized Economy,” also cosponsored with the Swiss National Bank and held in Zurich in August, explored the macro dimensions of globalization on the evolution of prices. Summaries of papers presented at all three conferences by Jian Wang, Michael Sposi and Mark Wynne are included in this report.

As in previous years, institute staff in 2013 presented their work at external forums. Among them were the:

- Annual Meeting of the American Economic Association
- Annual Meeting of the Southern Economic Association
- Annual Meeting of the Western Economic Association International
- Barcelona Graduate School of Economics Summer Workshop
- Conference on Structural Change, Dynamics and Economic Growth
- Federal Reserve Bank of Atlanta/New York University Stern School of Business Workshop on International Economics
- International Conference on Computing in Economics and Finance
- International Panel Data Conference, University of Texas at Dallas
- North American Summer Meeting of the Econometric Society
- Shanghai Macroeconomics Workshop
- Society for Economic Dynamics
- System Committee on International Economic Analysis
- System Committee on Macroeconomics

Staff also presented their work at central banks and universities, including the Bank of Mexico, Board of Governors of the Federal Reserve System, Chinese University of Hong Kong, Durham University, Federal Reserve Bank of Philadelphia, Fudan University, International Monetary Fund, Shanghai University of Economics and Finance, Swiss National Bank, Tsinghua University, University of Alicante and University of Arkansas.

Bank Publications

Staff contributed to several Bank publications, including the institute annual report and *Economic Letter*, which are intended to disseminate research to a broader audience than technical experts in economics. They produced six *Economic Letters* in 2013:

- “Technological Progress Is Key to Improving World Living Standards,” by Enrique Martínez-García
- “Value-Added Data Recast the U.S.–China Trade Deficit,” by Michael Sposi and Janet Koech
- “Economic Shocks Reverberate in World of Interconnected Trade Ties,” by Matthieu Bussière, Alexander Chudik and Giulia Sestieri
- “A Short History of FOMC Communication,” by Mark Wynne
- “Asia Recalls 1997 Crisis as Investors Await Fed Tapering,” by Janet Koech, Helena Shi and Jian Wang
- “The Euro and Global Turbulence: Member Countries Gain Stability,” by Matthieu Bussière, Alexander Chudik and Arnaud Mehl

Scott Davis and Adrienne Mack’s paper, “Cross-Country Variation in the Anchoring of Inflation Expectations,” was published in the Bank’s *Staff Papers* series.

People

One staff member spent the spring semester on leave at the University of Pennsylvania’s Wharton School and subsequently resigned to stay at Wharton.

The institute recruited 13 new research associates: Matthieu Bussière (Bank of France), Matteo Cacciatore (HEC Montreal), Richard Dennis (Australian National University), Gee Hee Hong (Bank of Canada), Arnaud Mehl (European Central Bank), Daniel Murphy (University of Virginia), Giulia Sestieri (Bank of France), Vanessa Smith (University of Cambridge), Jeff Thurk (University of Notre Dame), Ben Tomlin (Bank of Canada), Eric van Wincoop (University of Virginia), Yong Wang (Hong Kong University of Science and Technology) and Zhi Yu (Shanghai University of Finance and Economics).

Note

¹ Specifically, institute working papers nos. 64, 89, 103, 107, 119, 129, 137, 139, 146, 162 and 165.