

Summary of Activities 2012

Since its creation in 2007, the Globalization and Monetary Policy Institute's core activities have been twofold: first, keeping Federal Reserve Bank of Dallas President Richard Fisher and other senior Bank management apprised of world economic developments and their implications for U.S. monetary policy; and second, disseminating cutting-edge research on globalization's impact through the institute's dedicated working paper series. Prior to each regularly scheduled Federal Open Market Committee meeting, institute staff prepare a summary of international economic conditions as part of a larger briefing book. Institute staff also regularly brief the Bank's board of directors, supply speech material to senior management, deliver their own speeches and participate in other ways in the Bank's various economic outreach programs.

On the research front, as of year-end 2012, the institute had circulated 134 papers in its working paper series, and many of these papers have since been published in peer-reviewed journals. The ultimate measure of a paper's quality is whether and where it is published and how frequently it is cited. In the interim, a reasonable proxy for impact is the frequency with which papers are downloaded from the Bank's website. Chart 1 uses data from the RePEc (Research Papers in Economics) database to track abstract views and downloads for the institute's working paper series since the series began in fall 2007. We see a steady growth in both abstract views and downloads (as we might expect, given the steady additions to the series over the years). While total downloads were off slightly in 2012 (1,963 versus 2,246 in 2011), abstract views were up (from 3,991 to 4,653).

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

Academic Research

Alexander Chudik had three papers accepted for publication during the year: "Thousands of Models, One Story: Current Account Imbalances in the Global Economy," (with M. Ca' Zorzi and A. Dieppe) published in *Journal of International Money and Finance*; "Aggregation in Large Dynamic Panels," (with M.H. Pesaran) accepted for publication in *Journal of Econometrics*; and "A Simple Model of Price Dispersion," published in *Economics Letters*. Enrique Martínez-García and Mark Wynne's paper "Bayesian Estimation of NOEM Models: Identification and Inference in Small Samples" was accepted for publication in *Advances in Econometrics*. Janet Koech and Mark Wynne's paper "Core Import Price Inflation in the United States" was accepted for publication in *Open Economies Review*. At year end, staff had papers under review at *Journal of Political Economy*, *Journal of International Economics*, *Journal of Monetary Economics*, *Journal of Applied Econometrics*, *B.E. Journal of Macroeconomics*, *European Economic Review* and *Quarterly Journal of Economics*.

Conferences

The institute organized two conferences during 2012. The first, "Financial Frictions and Monetary Policy in an Open Economy," was organized by Scott Davis, Michael Devereux and Mark Wynne and held at the Dallas Fed in March. The second, "International Linkages in a Globalized World and Implications for Monetary Policy," was jointly organized with Shanghai University of Finance and Economics and Shanghai Institute of Finance and Law, and held in Shanghai in June. Summaries of the papers presented at both conferences are included elsewhere in this annual report.

As in previous years, staff have been active in presenting their work in external forums. Institute staff presented their research at a variety of conferences in 2012, including Bank for International Settlements, Midwest Macroeconomics Meetings,

European meetings of the Econometric Society, Federal Reserve Bank of San Francisco annual Pacific Basin Research Conference, Federal Reserve System Committee on International Economic Analysis, Hong Kong Institute for Monetary Research's Summer Workshop, Southern Economic Association meetings, University of Texas at Arlington, Vanderbilt University, Ohio University and the annual meeting of the Western Economic Association.

Bank Publications

Institute staff contributed six articles to the Bank's *Economic Letter* publication during the year: "Increased Real House Price Volatility Signals Break from Great Moderation" (by Adrienne Mack and Enrique Martínez-García); "Economic Rebounds in U.S. and Euro Zone: Deceivably Similar, Strikingly Different" (by Anthony Landry and Carlos E.J.M. Zarazaga); "China's Slowdown May Be Worse Than Official Data Suggest" (by Janet Koech and Jian Wang); "One-Size-Fits-All Monetary Policy: Europe and the U.S." (by Mark Wynne and Janet Koech); "Bringing Banking to the Masses, One Phone at a Time" (by Janet Koech); and "Inflation Expectations Have Become More Anchored Over Time" (by Scott Davis). The Bank's *Economic Letter* and this annual report are intended to disseminate research to a broader audience than technical experts in economics. Of particular note in 2012 was the selection of Janet Koech's essay "Hyperinflation in Zimbabwe" (published in the institute's 2011 annual report) for inclusion in the Recommendations for Further Reading section of the spring 2012 edition of the American Economic Association's *Journal of Economic Perspectives*. Finally, Alexander Chudik's paper "How the Global Perspective Can Help Us Identify Structural Shocks" (with Michael Fidora) was published in the Bank's *Staff Papers* series.

People

Two staff members spent the spring semester on leave at academic institutions. Anthony

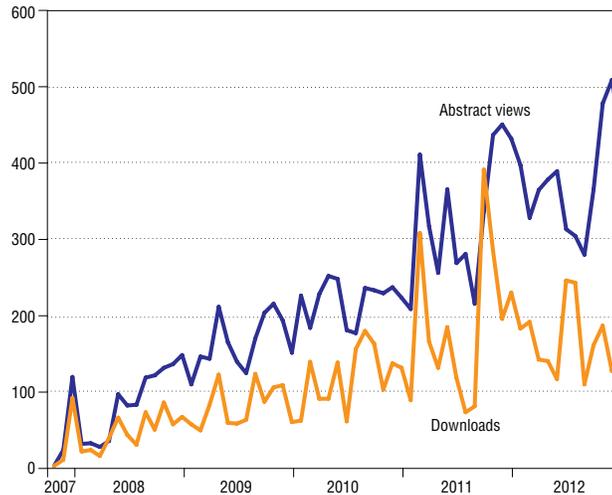
Landry spent the semester at the University of Pennsylvania's Wharton School, and Enrique Martínez-García taught at the University of Texas at Austin. Shushanik Papanyan visited the institute in the spring to work on a project to develop global economic indicators. We also hosted two PhD interns over the summer: Ayse Kabukcuoglu from UT Austin and Sarah Le Tang from Brandeis. Payton Odom left the institute early in the summer to take up a Fulbright scholarship in Mexico. Valerie Grossman—a recent SMU graduate—took his place. A recent University of Iowa PhD graduate, Michael Sposi, joined us as a new staff member at the beginning of September, filling the opening left by the departure of Simona Cociuba last year. Jian Wang joined the editorial board of *Pacific Economic Review*.

This year we recruited 20 new research associates to our network: Javier Bianchi (University of Wisconsin–Madison), Hamed Bouakez (HEC Montréal), Bo Chen (Shanghai University of Finance and Economics), Hongyi Chen (Hong Kong Institute for Monetary Research), Yin-Wong

Cheung (University of California, Santa Cruz/ City University of Hong Kong), Dudley Cooke (University of Exeter), Roberto Duncan (Ohio University), Aitor Erce (Bank of Spain), Pedro Gete (Georgetown University), Yi Huang (International Monetary Fund), Charles Ka Yui Leung (City University of Hong Kong), Nan Li (Ohio State University), Shu Lin (Fudan University), Tuan Anh Luong (Shanghai University of Finance and Economics), Césaire Meh (Bank of Canada), Simone Meier (Swiss National Bank), Deokwoo Nam (City University of Hong Kong), Vincenzo Quadrini (University of Southern California), Bent E. Sorensen (University of Houston) and Cédric Tille (Graduate Institute of International Development Studies).

Chart 1

Institute Working Papers Draw Increased Attention



SOURCE: Research Papers in Economics (RePEc) database, <http://logec.repec.org/scripts/seriesstat.pl?item=repec:fip:feddgw> (accessed: Feb. 25, 2013).