

Summary of Activities 2016

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In 2016, the Globalization Institute continued its tradition of research excellence by publishing a number of notable academic papers and convening leading minds in the field of economics to discuss topics vital to the U.S. and world economies.

Institute staff published research in top peer-reviewed journals and added 35 new papers to its working paper series to go with 38 in 2015, bringing the series total to 294. Of the 35 new papers, permanent staff in Dallas contributed 15 and institute research associates provided the rest. As in years past, a wide range of topics was covered, including insight from markets for bitcoin, international linkages at the level of individual U.S. states, technical contributions dealing with econometric theory, and the solution of rational expectations models (a full list of new working papers is provided elsewhere in this report).

In addition, the institute hosted a major research conference with the University of Houston and revived its public lecture series, renaming it Global Perspectives.

Academic Research

The year 2015 was the institute's best to date in terms of journal acceptances, with permanent staff contributing 13 papers. While the acceptance rate was notably lower in 2016, staff had papers accepted for publication in several peer-reviewed journals, including:

- *Journal of Monetary Economics* (Carnegie-Rochester Conference Series)—“Capital Controls and Monetary Policy Autonomy in a Small Open Economy,” by J. Scott Davis and Ignacio Presno
- *Journal of International Economics*—“Distribution Capital and the Short- and Long-Run Import Demand Elasticity,” also by Davis with Mario J. Crucini

- *Open Economies Review*—“A Quantitative Assessment of the Role of Incomplete Asset Markets on the Dynamics of the Real Exchange Rate,” by Enrique Martínez-García
- *Review of Regional Studies*—“Diversification and Specialization of U.S. States,” by Janet Koech and Mark A. Wynne, forthcoming

In addition, Cambridge University Press in spring 2016 published the proceedings of the institute's 2014 centennial conference as *The Federal Reserve's Role in the Global Economy: A Historical Perspective* (Michael D. Bordo and Wynne, editors).

At year-end, the staff had papers under review at *Econometrica*, the *Journal of Monetary Economics* and the *Review of Financial Studies*.

Conferences

The institute organized one major research conference in 2016, a collaboration with the University of Houston that is expected to become an annual event alternating between Dallas and Houston. The conference featured presentations from researchers at the University of Houston as well as the Federal Reserve Board of Governors and Federal Reserve Bank of Minneapolis and Harvard, Pennsylvania State, Princeton and Stanford universities. A full summary of the conference by Michael Sposi is presented elsewhere in this report.

Staff presented their work at high-profile conferences and in university seminars throughout 2016. These included the Carnegie-Rochester-New York University Conference Series on Public Policy, Fall Midwest Trade meeting, International Association for Applied Econometrics conference, Midwest Macroeconomics meeting and RIDGE Workshop on Trade and Firm Dynamics, plus meetings of the Allied Social Sciences Association, Econometric Society, Midwest Economics Association, Society for Economic Dynamics, Southern Economic Association,

Spanish Economic Association, System Committee on International Economic Analysis and Western Economic Association. Staff also gave seminar presentations abroad at the Bank for International Settlements–Hong Kong, Reserve Bank of New Zealand, Shanghai University of Finance and Economics and University of Exeter (UK) and at home at Arizona State University, Marquette University, Purdue University and University of Texas.

Bank Publications

Institute staff contributed seven articles to the Bank's *Economic Letter* publication: "Emerging-Market Debtor Nations Likely to Follow Fed Rate Boosts," by Davis; "Consequences of the Euro: Monetary Union, Economic Disunion?" by Martínez-García and Valerie Grossman; "Stock Market Provides Imperfect View of Real U.S. Economy," by Julieta Yung; "Impact of Chinese Slowdown on U.S. No Longer Negligible," by Alexander Chudik and Arthur Hinojosa; "Global Demographic Trends Shape Policy Environment," by Wynne; "Risk, Uncertainty Separately Cloud Global Growth Forecasting," by Chudik, Martínez-García and Grossman; and "U.S. Productivity Growth Flowing Downstream," by Sposi and Kelvinder Viridi. *Economic Letter* is designed to disseminate research to a broad nontechnical audience.

Institute Public Lecture Becomes Global Perspectives

The institute extended its public lecture series, which resumed toward the end of 2015. The series was rebranded as Global Perspectives and featured several high-profile speakers. February's Trilateral Conference was highlighted by a panel discussion between Dallas Fed President Robert S. Kaplan, Bank of Canada Governor Stephen S. Poloz and Banco de México Governor Agustín Carstens. The series continued with

former U.S. Treasury Secretary Henry Paulson in March, followed by Harvard Business School Dean Nitin Nohria in June, former U.S. Treasury Secretary Larry Summers in September, former U.S. Treasury Secretary Robert Rubin in October and, finally, former Bank of England Governor Lord Mervyn King in November. An edited version of the conversation between Kaplan and Lord King appears elsewhere in this report.

People

There were no new hires to the permanent staff in 2016. Agustín Bénétrix (Trinity College Dublin), Daniel Riera-Crichton (Bates College), Jae Won Lee (Seoul National University), Gina Pieters (Trinity University) and Nam Vu (Miami University) joined the institute's network of research associates. Mina Kim (Bureau of Labor Statistics) and Pieters visited the institute for the fall semester. Eric van Wincoop (University of Virginia) also visited for a week in the fall. Ariel Weinberger (University of Oklahoma) and Alejandro Rivera (University of Texas at Dallas) were also regular visitors during 2016.

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