

Dear all,

You are kindly invited to the next Joint Firm Analysis Seminar of the NBB, KUL, UA, UCL, UGent, UHasselt, ULB, ULg and UMONS

Given by **Xavier Gabaix** (Harvard University)

on **Granular Instrumental Variables** and **Propagation of Shocks in Networks: Identification and Applications**

on **Tuesday, 18 June** at 11.00 in in the Auditorium of the National Bank of Belgium (Room A1), rue Montagne aux Herbes potagères 61, 1000 Brussels.

The [first paper is available online](#). The second paper is not yet available, and its abstract can be found below:

Abstract

This paper provides an estimation procedure to study the impact of shocks in macroeconomic networks. We show that by using a panel of with some large units (such as countries, industries or firms), and a parametric model on how shocks propagate between such units, we can first extract idiosyncratic unit-specific shocks and then recover the underlying parameters of this macroeconomic network. The intuition is that by measuring how idiosyncratic shocks impact other units in the network, we can recover the underlying key elasticities and the underlying shocks. We illustrate the procedure via the estimation of a flexible model of macro linkages across US industries, where we provide estimators of between-sectors elasticities, and impulse-responses. We delineate how the method can be used to estimate other propagations, e.g. to estimate how productivity, inflation, or business cycle shocks propagate across countries.

The seminar will be followed by a walking lunch. When confirming your presence, please indicate if you stay for the lunch.

In the afternoon there are a limited number of slots available for a meeting with Prof. Gabaix. Please contact us at nbbfirmanalysis.seminar@nbb.be if you are interested.

Whilst we encourage your physical presence, we also offer the possibility to follow the seminar online via Teams. Please send an email to nbbfirmanalysis.seminar@nbb.be to obtain the link.

For those who attend physically, we emphasize that due to security reasons, you need to register by email to nbbfirmanalysis.seminar@nbb.be before Monday 17 June at 4:00 pm if you plan to attend the seminar. Without registration, you will not be allowed in the seminar room. You will receive a nominative badge at the entrance. We recommend that you arrive at least 10 minutes before the start of the seminar. Please include name and car plate number for access the NBB Parking Warmoesberg 41.

We already have the following speakers planned:

- 10/10 Natalia Ramondo (Boston University)
- 14/11 Ioana Marinescu (University of Pennsylvania)
- TBD Gabriel Chodorow-Reich (Harvard)
- TBD Mishel Ghassibe (CREi and Barcelona School of Economics)

Looking forward to seeing you there.

Kind regards,

Gert Bijnens (NBB), Emmanuel Dhyne (NBB-UMONS), Catherine Fuss (NBB), Johannes Van Biesebroeck (KU Leuven), Joep Konings (KU Leuven), Hylke Vandenbussche (KU Leuven), Vincent Vandenberghe (UCL), Gonzague Vannoorenberghe (UCL), Bart Cockx (UGent), Glenn Rayp (UGent), Paola Conconi (ULB), Ilan Tojerow (ULB), Mathieu Parenti (ULB), Alain Finet (UMONS), Jan Bouckaert (UA), Mark Vancauteran (UHasselt), Axel Gautier (ULg), Glenn Magerman (ULB) and Estelle Cantillon (ULB)