Counterfactuals from SVARs - Questions

Marco Brianti

Laura Gati

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1 What we have done so far:

1. Recovered structural shocks from our identified VAR

2. Used them together with the impulse responses to generate what Kilian calls "cumulative contribution of a shock j" to TFP. These are historical decompositions of TFP in the sense that, relative to the trend of our TFP series, we can see the percent deviations caused by the shocks - together with the responses to them - in our sample. Mathematically, the cumulative effect of a shock j on TFP is:

$$\hat{y}^j_{TFP,t} = \sum_{i=0}^{t-1} B(L)^i A s_{j,t-i} \tag{1}$$

where $j = \{IT, news\}$ and s is the structural shock. Then, the overall cumulative effect of all shocks is

$$\hat{y}_{TFP,t} = \sum_{j=IT,news} \hat{y}^j_{TFP,t} \tag{2}$$

3. The object we're interested in is

$$TFP - f\left(\hat{y}^{IT}_{TFP,t}\right) \tag{3}$$

and our question is: what is f?

In other words: the problem comes from the fact that $\hat{y}^{IT}_{TFP,t}$ is in percentage deviations from the trend of TFP. What we're interested in, however, is how TFP would have evolved (in levels) absent the shocks to IT starting in 2000-Q3.