

Thesis title

Motivation:

- Agent based modeling is closer tied to the real world than common economic equations.
- With today's extensive compute power technology, it is computationally viable to simulate a large enough amount of agents with adequately complex interactions to derive macroeconomic results from microeconomic theory and experimentation.

Background: <https://www.sciencedirect.com/science/article/pii/S0014292122001891>

- Defining some external environment is necessary for a realistic ABM because any system unless all variables are completely unaffected by an external environment, cannot be represented and simulated in its entirety unless the whole universe is simulated.

Method:

1. Define agents from common sense (as of now initially)
2. Define interactions from common sense (as of now initially)
3. Define external environment from the OECD database or similar
4. Define initial conditions from the OECD database or similar
5. Simulate many times (monte carlo) with random variables being reset each time
6. Compare with AR(0) and other status quo economic predictors
7. Readjust agent parameters, agent interactions and environment from result of comparison using reinforcement learning

Agents definitions:

- Government
 - Inputs
 - Inner structure
 - Outputs
- Central bank
 - Inputs
 - Inner structure
 - Outputs
- Bank
 - Inputs
 - Inner structure
 - Outputs
- Company
 - Inputs
 - Inner structure
 - Outputs
- Household
 - Inputs
 - Inner structure
 - Outputs