The Weight of History: Diagnosing Identification in IV Local Projections IRFs

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January 2026

Replication Files

1. Structure of the archive

- `Code` is a folder containing all the do files to replicate the paper. The code has been written and running using Stata 17.
    - `00.Master.do` is the main code file that run all the necessary nested dofiles.
    - `1_Main` do files contains the dofiles used to run the results in the main text.
    - `2_Appendix` do files run the do files to replicate the results in the appendix.
- *1_Data* is a folder containing all the raw data used in this replication file.
- Additionally, `00.Master.do` creates the following folders:
    - `3_Output` stores all the graphs and results produced.

2. Data description

2.1 MAIN DATA

Replication from Ramey & Zubairy (2018)

The data is obtained following Ramey and Zubairy (2018) from this [link]

2.1 Appendix Data

Romer & Romer (2004)

The data is obtained following Romer and Romer (2004) and updated by Wieland and Yang (2019) from this [link] and [link] respectively.
Data for GDP and for unemployment are obtained from St. Louis Fred Data in [link], and [link] respectively. The replication codes are obtained from Òscar Jordà webpage.

Romer & Romer (2010)

The data is obtained following Romer and Romer (2010) from this [link].

Gertler & Karadi (2015)

The data is obtained following Gertler and Karadi (2015) from this [link].

Jordà, Singh & Taylor (2024)

The data is obtained following Jordà, Singh and Taylor (2024) from this [link]. Macro-variables data for 17 countries is obtained from Macrohistory Database (Jordà, Schularick, and Taylor, 2017).

3. Running code to replicate all figures and tables

To generate all tables and figures from the paper and the online appendices, proceed in the following way:

- Open `00.Master.do`
- Set your machine's path to the `Replicatoin_File` folder. This is done in line 5.
- Execute `00.Master.do` in Stata.
- All results and Figures will be created inside `3_Output` folder.

References

Gertler, M., & Karadi, P. (2015). Monetary policy surprises, credit costs, and economic activity. American Economic Journal: Macroeconomics, 7(1), 44-76.

Jordà, Ò., Schularick, M., & Taylor, A. M. (2017). Macrofinancial history and the new business cycle facts. NBER macroeconomics annual, 31(1), 213-263.

Jordà, Ò., Singh, S. R., & Taylor, A. M. (2024). The long-run effects of monetary policy. Review of Economics and Statistics, 1-49.

Ramey, V. A., & Zubairy, S. (2018). Government spending multipliers in good times and in bad: evidence from US historical data. Journal of political economy, 126(2), 850-901.

Romer, C. D., & Romer, D. H. (2004). A new measure of monetary shocks: Derivation and implications. American economic review, 94(4), 1055-1084.

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Wieland, J. F., & Yang, M. J. (2020). Financial dampening. Journal of Money, Credit and Banking, 52(1), 79-113.