Shambaugh Paper

Effects of non-central bank transparency on crisis management

National govt transparency decreases duration of inf and curr crises by providing info on coniditons and inc predibtability etc.

HR Vreeland index of govt transparency- high levels related to shorter inf and curr crises

Macro information credibility statistics

High transparency and shorter durations of crises and less severity. No banking

Crisis duration in years with inf of 20 percent of higher, depreciation 30 percent curr crisis

Banking and debt crisis durations etc

Hazard survival analysis, controls of gdp, fdi inflows, exports, current account percent gdp at start

* Impact of govt and cb transparency on crisis duration- time until failure/end of crisis
* Potential nonlinearity of impact
  + Exponential model
    - Linear baseline model with exponential decay- lower chance of being around
  + Gompertz model
  + Weibull
    - Nonlinear baseline hazard monotonicaly inc/dec- probability of crisis end in or dec
* Count models and linear regressions
* Zero truncated negative binomial- do not experience crisis omitted
  + Relationship changes a various points in the crisis ( like survival)
  + No variance and mean equality- so overdispersion accounted for
* Standard linear ols- year dichotomous indicators and robustness etc, but not really linear
* Kalpan meier- more probability of cirise ending with more transparency at all points in time
* 3 times tested for each model
* High transparency leads to likey end of crisis- grow public condience and influence inflation
* Not significant with cb transparency controlled for- but this has low deg freedom. Backfilled return, so this is somewhat reliable
* Hazard ratios are probability of crisis ending in the next year given experiencing crisis until year t- sign and greater than one- so higher prob of crisis ending. Up to 2-3 times
* Count data of number of years
* Ols- hrv is negative- fewer years for crisis by 2 to 4 years
* Joint suppression possibilities or something

General notes on survival analysis?

Stepwise display:

* Kaplan meier- x axis of time, y axis is the proportion of subjects survivivng
* Solid line progression of even occurrences
* Vertical drops are an event
* These are for binary or categorical variables (also see log-rank tests)

<http://www.ats.ucla.edu/stat/>

Cox PH models

* Unieuq effect of a unit increase is multiplicative wrt the hazard rate
  + Drug may halve hazard rate for stroke occurrence or changing material for manu may double the rate of failure
  + Note that halving a hazard rate does not imply doubling lifespan
* Hazard function at baseline levels- just how risk changes over time. and effect params in resp to covariates
* Numeric vector is sex, give the Hazard ratio for first relative to second group
* Additional covariates
* Log normalize often
* The Vox model- you can estimate the effect without considering the hazard function if proportional hazards holds
* Likelihood of the even is base hazard scaled divided by sum over set of subjects with event not occurred before the time
* Time varying predictors and covariates- efficacy varies over time. Test stationarity of coeff
* Hazard function specifications- Weibull
* Parametric proportional hazards- not specified hazard function