Directed Research Projects on Canadian Economic Policy
Document of Information

Host Organization

Department: Department of Finance Canada, 90 Elgin, Ottawa, Ontario


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Supervising Economist: Alexandre Bédard, Senior Economist, Fiscal Policy Analysis

Project Description

The Division is currently reviewing its fiscal stance indicators. Fiscal stance indicators show the extent to which governments contribute to or subtract from the economy. They help assess the impact of fiscal policy on the economy over time and inform policy decisions better. There is no single fiscal stance indicator in the literature – each has its benefits and limitations.


The student will be asked to replicate and update the SVAR models based on the recursive and Blanchard and Perroti (2002) identification approaches in Cayen and Desgagné (2009).

Benefits to the Student

This project would be an opportunity for the student to explore the VAR literature and work with real-world data, while touching on key fiscal policy issues. This would also be an occasion to collaborate and establish contacts with economists at the Department of Finance.

Commitments, Tasks, and Deliverables

The centrepiece of the project is a short analytical note (in either French or English) reporting econometric results as well as the program files due at the end of the semester. The student can use any statistical program. Given their popularity in the job market, Matlab or Eviews are highly recommended.

Specific Qualifications

The student must be familiar with time series econometrics and programming. The compulsory econometrics course (ECO 3151) is a minimum requirement. A more advanced econometric course (e.g., ECO 4186) would be an asset.

References

