Accepted Manuscript

Understanding the Cross-Country Effects of U.S. Technology Shocks

Wataru Miyamoto, Thuy Lan Nguyen

PII: S0022-1996(17)30034-X
DOI: doi:10.1016/j.jinteco.2017.03.008
Reference: INEC 3036

To appear in: Journal of International Economics

Received date: 16 July 2015
Revised date: 9 March 2017
Accepted date: 20 March 2017

Please cite this article as: Miyamoto, Wataru, Nguyen, Thuy Lan, Understanding the Cross-Country Effects of U.S. Technology Shocks, Journal of International Economics (2017), doi:10.1016/j.jinteco.2017.03.008

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.
Understanding the Cross-Country Effects of U.S. Technology Shocks

Wataru Miyamoto\textsuperscript{a}, Thuy Lan Nguyen\textsuperscript{b}

\textsuperscript{a}Bank of Canada
\textsuperscript{b}Santa Clara University

Abstract

Business cycles are substantially correlated across countries. Yet, most existing models are not able to generate substantial transmission through international trade. We show that the nature of such transmission depends fundamentally on the features determining the responsiveness of labor supply and labor demand to international relative prices. We augment a standard international macroeconomic model to incorporate three key features: a weak short-run wealth effect on labor supply, variable capital utilization, and imported intermediate inputs for production. This model can generate large and significant endogenous transmission of technology shocks through international trade. We demonstrate this by estimating the model using data for Canada and the United States with limited-information Bayesian methods. We find that this model can account for the substantial transmission of permanent U.S. technology shocks to Canadian aggregate variables such as output and hours, documented in a structural vector autoregression. Transmission through international trade is found to explain the majority of the business cycle comovement between the United States and Canada.

Keywords: International transmission of business cycles, structural analysis, international comovement, Bayesian, impulse response matching.

\footnote{We thank our advisors, Emi Nakamura, Stephanie Schmitt-Grohé, Jón Steinsson, and Martín Uribe, for their invaluable advice. We also thank the editor, the two anonymous referees, Jaromir Nosal, Tommaso Monacelli, Ricardo Reis for their comments, and the participants at the Columbia Economic Fluctuation, Monetary Colloquia, and other institutions for their inputs. First draft: January 2013.}

Email addresses: wmiyamoto@bankofcanada.ca (Wataru Miyamoto), tlnguyen@scu.edu (Thuy Lan Nguyen)
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات