title：Towards empirical assessments of controlled cointegrated models

Guillaume Chevillon（ESSEC Business School）との共著

abstract：

This paper explores control theory and stabilisation policy within the framework of a cointegrated vector autoregressive (VAR) model from the perspective of an applied econometrician. We demonstrate that a new process derived from control theory should be regarded as a series of observables rather than as a latent series. This process can be viewed as being driven by a vector autoregressive moving-average (VARMA) model, which can, in turn, be interpreted through a structural VAR framework. We also introduce a data-driven procedure for classifying intermediate and final policy targets within the model. The practicality and effectiveness of this procedure are demonstrated through a counterfactual policy analysis using New Zealand's monetary policy data.