

Economics Department Newsletter

January 7, 2014

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1. Tuesday, January 7, 4:00pm – 5:30pm. CDE Seminar. CDE. [Shawn Powers](#), [Abdul Latif Jameel Poverty Action Lab](#), CDE Seminar, “The Jameel Poverty Action Lab and Randomized Evaluation of Policy in Developing Countries.”
2. Thursday, January 9, 4:00pm – 5:30pm. Griffin 6. Economics Job Candidate Seminar. [Jenny Tang](#), Harvard University. “[Uncertainty and the Signaling Channel of Monetary Policy](#).”
3. Friday, January 10, 4:00pm – 5:30pm. Schapiro 129. Economics Job Candidate Seminar. [Ajay Shenoy](#), University of Michigan. “[Market Failures and Misallocation: The Costs of Factor and Financial Market Failures in Rural Thailand](#).”

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Seminars and events

1. The Jameel Poverty Action Lab and Randomized Evaluation of Policy in Developing Countries

On Tuesday, January 7, from 4:00pm – 5:30pm at the Center for Development Economics, [Shawn Powers](#) of the [Abdul Latif Jameel Poverty Action Lab](#) (J-PAL) will present a CDE Seminar on “The Jameel Poverty Action Lab and Randomized Evaluation of Policy in Developing Countries.” J-PAL is a “global network of researchers who use randomized evaluations to answer critical policy questions in the fight against poverty.” Shawn is a graduate of Williams, Class of 2004, and currently manager the Education and Labor Markets programs at J-PAL. This talk will be geared especially towards CDE fellows interested in how randomized evaluations might be applied to evaluate policies in their own countries, but should be of interest to others as well. Shawn will provide a brief overview of J-PAL and its core activities (Evaluations, Capacity Building, and Policy

Outreach), and will provide examples of how J-PAL has worked with governments in all three capacities. He'll then discuss in more detail a long-running partnership with the Government of Indonesia. Third, he'll discuss lessons learned from J-PAL's experience with government-research partnerships, and consider some examples of practical issues involved in implementing randomized evaluations in developing countries, and will suggest some resources for those who are interested in learning more.

2. Uncertainty and the Signaling Channel of Monetary Policy

On Thursday, January 9, from 4:00pm – 5:30pm in Griffin 6, economics job candidate [Jenny Tang](#) of Harvard University will give a seminar on her paper “[Uncertainty and the Signaling Channel of Monetary Policy](#).” All are welcome. From the abstract: “This paper studies optimal monetary policy in an environment where policy actions provide a signal of economic fundamentals to imperfectly informed agents. I derive the optimal discretionary policy in closed form and show that, in contrast to the perfect information case, the signaling channel leads the policymaker to be tougher on inflation. The strength of the signaling effect of policy depends on relative uncertainty levels. As the signaling effect strengthens, the optimal policy under discretion approaches that under commitment to a forward-looking linear rule, thereby decreasing the stabilization bias. This contributes to the central bank finding it optimal to withhold its additional information from private agents. Under a general linear policy rule, inflation and output forecasts can respond positively to a positive interest rate surprise when the signaling channel is strong. This positive response is the opposite of what standard perfect information New Keynesian models predict and it matches empirical patterns found by Romer and Romer (2000) and Campbell, Evans, Fisher, and Justiniano (2012). In addition, I substantiate the existence of a signaling channel by providing new empirical evidence supporting the predicted interaction between uncertainty and the responses of inflation forecasts to interest rate surprises.”

3. Market Failures and Misallocation: The Costs of Factor and Financial Market Failures in Rural Thailand

On Friday, January 10, 4:00pm – 5:30pm, in Schapiro 129, economics job candidate [Ajay Shenoy](#) of the University of Michigan will present a seminar on his paper “[Market Failures and Misallocation: The Costs of Factor and Financial Market Failures in Rural Thailand](#).” All are welcome. From the abstract: “I estimate the contributions of factor and financial market failures to production misallocation among Thai rice farmers. I find surprisingly little misallocation. Optimal reallocation would increase output in most villages by less than 15 percent. Financial market imperfections cause no more misallocation than factor market imperfections, and neither causes much. I derive an aggregate production function that accounts for misallocation and use it to decompose output growth. Declining misallocation contributes little to growth compared to factor accumulation and rising farm productivity. A government credit intervention made statistically significant but small improvements to efficiency, acting almost entirely through financial markets.”

Summer Opportunities

4. Internship at the Treasury Office of Economic Policy

The U.S. Department of Treasury's Office of Economic Policy is seeking applicants for its summer internship program. For information, please see:

[http://web.williams.edu/williams-only/Economics/NewsletterAnnouncements/2013011/Treasury Office of Economic Policy Summer.pdf](http://web.williams.edu/williams-only/Economics/NewsletterAnnouncements/2013011/Treasury_Office_of_Economic_Policy_Summer.pdf)

5. Summer Research Analyst positions at the New York Fed

The Federal Reserve Bank of New York is seeking applicants for its summer internship program. For information, please see:

[http://web.williams.edu/williams-only/Economics/NewsletterAnnouncements/2013011/NY Fed Summer.pdf](http://web.williams.edu/williams-only/Economics/NewsletterAnnouncements/2013011/NY_Fed_Summer.pdf)

Full-time jobs

6. Economic Studies Program at Brookings Institution Seeks Research Assistants

The Economics Studies Program at the Brookings Institution is seeking applicants for positions as research assistants. For information, please see:

<http://web.williams.edu/williams-only/Economics/NewsletterAnnouncements/2013011/BrookingsRA.pdf>

About the newsletter

7. How to get items into the newsletter and how to unsubscribe

Please contact [Jon Bakija](#) with any news, events, or other information that you would like to send around to Economics and Political Economy faculty and majors, as well as anyone who has manifested an interest in the field by taking a class in either department this semester, or if you would prefer not to receive the newsletter and want to unsubscribe.