Call for Papers

Maastricht Observatory for Responsible, Resilient and Sustainable Societies, Economies and Enterprises

4th Annual Conference 2024

Track:

Expectations and Narratives in Macroeconomics

Maastricht, the Netherlands, 23-25 October 2024

Track Chairs:
Julian Ashwin, Giulia Piccillo

Description of the track

The aim of this track is to bring together empirical and theoretical evidence on the role of expectations and narratives for the macroeconomy. The role of expectations and how they are formed is central to the study of macroeconomics, from the rational expectations revolution (Begg, 1982), to expectations under learning (Evans & Honkapohja, 2001) and the many recent innovations surrounding heterogeneous and boundedly rational expectations. A growing literature also recognises the importance of narratives in economics, documenting how stories or concepts can spread between people and have substantial economic impacts (Shiller, 2017). Furthermore, methodological innovations in surveys and natural language processing have begun to allow narratives to be measured quantitatively (Flynn and Sastry, 2022; Andre et al 2023). By bringing together these two literatures, this track aims to further our understanding of how narratives evolve and how they influence economic agents' expectations. This includes, but is not limited to, applications to narratives around resilience and the climate crisis.

Examples of relevant research questions

- The role of bounded rationality and different functions of expectations in macroeconomic fluctuations
- Empirical work quantifying narratives from a macroeconomic perspective, including but not limited to survey and text data.
- Theoretical work on how to model narratives in economic models
- Empirical evidence on narratives and expectations formation, from either laboratory or observational studies

References:

- Andre, P., Haaland, I., Roth, C., & Wohlfart, J. (2023). Narratives about the Macroeconomy.

- Angeletos, G. M., Collard, F., & Dellas, H. (2018). Quantifying confidence. Econometrica, 86(5), 1689-1726.

- Ashwin, J., Rao, V., Biradavolu, M., Chhabra, A., Haque, A., Krishnan, N., & Khan, A. (2022). A Method to Scale-Up Interpretative Qualitative Analysis, with an Application to Aspirations in Cox's Bazaar, Bangladesh.

- Assenza, T, F Collard, P Fève and S J Huber (2024), "From Buzz to Bust: How Fake News Shapes the Business Cycle", CEPR Working Paper 18912.

- Begg, D. K. (1982). The rational expectations revolution in macroeconomics (pp. 28-31). Oxford: Philip Allan

- Evans, G. W., & Honkapohja, S. (2001). Learning and Expectations in Macroeconomics. Princeton University Press

- Flynn, J. P., & Sastry, K. (2022). The Macroeconomics of Narratives. Available at SSRN 4140751.

- Piccillo, G. & Van den Hurk, J (2020) The Surprising Effect of Social Distancing on Our Perception: Coping with Uncertainty. Covid Economics, 20, 132-146.

- Roos, M., & Reccius, M. (2024). Narratives in Economics. Journal of Economic Surveys, 38(2), 303-341.

- Roth, C., & Wohlfart, J. (2020). How do expectations about the macroeconomy affect personal expectations and behavior?. Review of Economics and Statistics, 102(4), 731-748.

- Shiller, R. J. (2017). Narrative economics. American Economic Review, 107(4), 967-1004.

The deadline for submissions is 15 June 2024.
All submissions must **use the submission procedure** on the webpage otherwise they will not be considered for review.
Papers must be submitted sending an email to morse-sbe@maastrichtuniversity.nl .

The registration for the MORSE Conference 2024 will open soon.

Maastricht University