

Examples of Papers Combining “Causal” Micro Estimates with a General-Equilibrium Macro Model

compiled by Adrien Couturier, Ben Moll and Rui Sousa based on the twitter thread:
https://twitter.com/ben_moll/status/1361215435870511107

1. Business Cycles and Macroeconomic Policy

1a. Using cross-individual, -firm or -sectoral variation

Arellano, Bai and Bocola (2020), “Sovereign Default Risk and Firm Heterogeneity”, Working Paper

Berger and Vavra (2018), “Shocks vs Responsiveness: What Drives Time-Varying Dispersion?”, Journal of Political Economy

Carry (2024), “The Effects of the Legal Minimum Working Time on Workers, Firms and the Labor Market”, Working Paper

Cahuc, Carry, Malherbet and Martins (2022), “Employment Effects of Restricting Fixed-Term Contracts: Theory and Evidence”, Working Paper

Gabaix and Koijen (2021), “In Search of the Origins of Financial Fluctuations: The Inelastic Markets Hypothesis”, Working Paper

Herreño (2021), “The Aggregate Effects of Bank Lending Cuts”, Working Paper

Kospentaris (2021), “Unobserved Heterogeneity and Skill Loss in a Structural Model of Duration Dependence”, Review of Economic Dynamics

McKay and Wieland (2021), “Lumpy Durable Consumption Demand and the Limited Ammunition of Monetary Policy”, Working Paper

Otonello and Winberry (2020), “Financial Heterogeneity and The Investment Channel of Monetary Policy”, Econometrica

Wolf (2020), “The Missing Intercept: A Demand Equivalence Approach”, Working Paper

1b. Using cross-regional variation

Auclert, Dobbie and Goldsmith-Pinkham (2019), “Macroeconomic Effects of Debt Relief: Consumer Bankruptcy Protections in the Great Recession”, Working Paper

Beraja, Fuster, Hurst and Vavra (2018), “Regional Heterogeneity and the Refinancing Channel of Monetary Policy”, Quarterly Journal of Economics

Chodorow-Reich, Cogley and Karabarbounis (2019), “The Macro Effects of Unemployment Benefit Extensions: A Measurement Error Approach”, Quarterly Journal of Economics

Chodorow-Reich, Nenov and Simsek (2021), “Stock Market Wealth and the Real Economy: A Local Labor Market Approach”, American Economic Review

Chodorow-Reich (2019), “Geographic Cross-Sectional Fiscal Spending Multipliers: What Have We Learned?”, AEJ:Economic Policy

Conley, Dupor, Li, and Zhou (2025), “When Regional Isn’t Aggregate: Joint Estimation of Government Transfer Multipliers,” Working Paper

Dupor, Hogan, and Jingchao Li (2025), “A Decomposition of the Phillips Curve’s Flattening,” Working Paper

Crucini and O’Flaherty (2020), “Stay-at-Home Orders in a Fiscal Union”, Working Paper

Dupor, Karabarbounis, Kudlyak and Mehkari (2023) “Regional Consumption Responses and the Aggregate Fiscal Multiplier”, Review of Economic Studies

Fulford and Schwartzman (2020), “The Benefits of Commitment to a Currency Peg: Aggregate Lessons from the Regional Effects of the 1896 U.S. Presidential Election”, Review of Economics and Statistics

Hagedorn, Karahan, Manovskii and Mitman (2013), “Unemployment Benefits and Unemployment in the Great Recession: The Role of Macro Effects”, Working Paper

Nakamura and Steinsson (2014), “Fiscal Stimulus in a Monetary Union: Evidence from US Regions,” American Economic Review

Zevelev (2020), “Does Collateral Value Affect Asset Prices? Evidence from a Natural Experiment in Texas”, Working Paper

2. Long-Run Issues and Macro Development

2a. Using cross-individual, -firm or -sectoral variation

Akcigit, Alp and Peters (2021), “Lack of Selection and Limits to Delegation: Firm Dynamics in Developing Countries”, American Economic Review

Attanasio, Meghir and Santiago (2011), “Education Choices in Mexico: Using a Structural Model and a Randomized Experiment to Evaluate PROGRESA”, Review of Economic Studies

Bau and Matray (2020), “Misallocation and Capital Market Integration: Evidence From India”, Working Paper

Berger, Herkenhoff and Mongey (2019), “Labor Market Power”, Working Paper

Besley, Burchardi and Ghatak (2020), “The Role of Finance in the Process of Development: Improving Access versus Reducing Frictions”, Working Paper

Brooks, Donovan and Johnson (2020), "From Micro to Macro in an Equilibrium Diffusion Model", Working Paper

Choukhmane (2019), “Default Options and Retirement Saving Dynamics”, Working Paper

Daruich (2020), “Macroeconomic Consequences of Early Childhood Development Policies”, Working Paper

Gautier, Muller, van der Klaauw, Rosholm and Svarer (2018), “Estimating Equilibrium Effects of Job Search Assistance”, Journal of Labor Economics

Humlum (2020), “Robot Adoption and Labor Market Dynamics”, Working Paper

Lise, Seitz and Smith (2015), “Evaluating Search and Matching Models using Experimental Data”, IZA Journal of Labor Economics

Sraer and Thesmar (2021), “How to Use Natural Experiments to Measure Misallocation”, Working Paper

2b. Using cross-regional variation

Attanasio and Meghir (2011), “Education Choices in Mexico: Using a Structural Model and a Randomized Experiment to Evaluate PROGRESA”, *Review of Economic Studies*

Boehm and Oberfield (2020), “Misallocation in the Market for Inputs: Enforcement and the Organization of Production”, *Quarterly Journal of Economics*

Brooks and Donovan (2020), “Eliminating Uncertainty in Market Access: The Impact of New Bridges and Rural Nicaragua”, *Econometrica*

Donovan (2020), “The Equilibrium Impact of Agricultural Risk on Intermediate Inputs and Aggregate Productivity”, *Review of Economic Studies*

Lagakos, Mobarak and Waugh (2020), “The Welfare Effects of Encouraging Rural-Urban Migration”, Working Paper

3. International Finance, Trade & Urban

3a. Using cross-individual, -firm or -sectoral variation

Khandelwal, Schott and Wei (2013), “Trade Liberalization and Embedded Institutional Reform: Evidence from Chinese Exporters”, *American Economic Review*

Salomao and Varela (2020), “Exchange Rate Exposure and Firm Dynamics”, Working Paper

3b. Using cross-regional variation

Donaldson (2018), “Railroads of the Raj: Estimating the Impact of Transportation Infrastructure”, *American Economic Review*

Lyon and Waugh (2019), “Quantifying the Losses from International Trade”, Working Paper

Redding and Sturm (2008), “The Costs of Remoteness: Evidence from German Division and Reunification”, *American Economic Review*

4. Overview Articles / Books / Course Notes

Buera, Kaboski and Townsend (2021), “From Micro to Macro Development”, *Journal of Economic Literature*

Chodorow-Reich (2020), “Economics 2410hfc/2416: advanced topics in applied macroeconomics”, Harvard University <https://scholar.harvard.edu/chodorow-reich/classes/economics-2410hfc-advanced-topics-applied-macroeconomics>

Nakamura and Steinsson (2018), “Identification in Macroeconomics”, *Journal of Economic Perspectives* (particularly Section 3 on “Aggregate Versus Cross-Sectional Identification”)

Parker (2011) “On Measuring the Effects of Fiscal Policy in Recessions”, *Journal of Economic Literature*

Wolpin (2013), “The Limits of Inference without Theory”, MIT Press

(Note: book is primarily about identifying structural parameters in microfounded models rather than scaling-up to general equilibrium. Also see paper by Todd and Wolpin (2006), “Assessing the Impact of a School Subsidy Program in Mexico: Using a Social Experiment to Validate a Dynamic Behavioral Model of Child Schooling and Fertility”, *American Economic Review*, and 2003 working paper version “Using a Social Experiment to Validate a Dynamic Behavioral Model of Child Schooling and Fertility: Assessing the Impact of a School Subsidy Program in Mexico”)