



Institute for International Political Economy at the  
Berlin School of Economics and Law (IPE)



## Seminar on Applied Stock-Flow Consistent Modelling

*28 – 31 March 2022*

### Professor Gennaro Zezza, University of Cassino

The aim of the course is to present and discuss the key steps needed to build a SFC model for a whole country, starting from the available time-series data. We will use Mexico as our reference country. The seminar will be composed of 8 sessions of three hours each on four days.

#### Schedule

March 28

Session A) 9:30 – 12:30

Introduction to stock-flow models. Exogenous and endogenous variables. Recursive vs simultaneous systems of equations. Steady-state vs steady-growth models

Session B) 14:00 – 17:00

National accounts: SFC requirements vs actual data.

March 29

Session C) 9:30 – 12:30

From data analysis to model structure

Session D) 14:00 – 17:00

Organizing the data in R

March 30

Session E) 9:30 – 12:30

Checking model consistency

Session F) 14:00 – 17:00

Parameter estimation

March 31

Session G) 9:30 – 12:30

In-sample model simulation

Session H) 14:00 – 17:00

Projections

**Suggested readings:**

Godley, Wynne, and Marc Lavoie. 2007. *Monetary Economics: An Integrated Approach to Credit, Money, Income, Production and Wealth*. Basingstoke: Palgrave MacMillan.

Zeza, Gennaro, and Francesco Zeza. 2019. "On the Design of Empirical Stock–Flow Consistent Models." *European Journal of Economics and Economic Policies: Intervention* 16 (1): 134–58.

Godley, Wynne. 1999. "Seven Unsustainable Processes: Medium-Term Prospects and Policies for the United States and the World." Levy Economics Institute.  
<http://www.levyinstitute.org/pubs/sevenproc.pdf>.

Papadimitriou, D.B., M. Nikiforos, and G. Zeza. 2013. "A Levy Institute Model for Greece." Levy Economics Institute. <http://www.levyinstitute.org/publications/a-levy-institute-model-for-greece>.