



Macro Effort, Macro Insight, Macro Fun



Winfried Koeniger is the academic director of the economics program at the bachelor level, is a professor of macroeconomics at HSG, was an Associate Professor at Queen Mary University of London, and holds a PhD from the European University Institute in Florence. Are macroeconomists good crisis managers? What is his own research about? Why is a HSG bachelor degree such a good 'door opener' for students?

Macroeconomics is often criticized for providing inadequate predictions for the recent crisis management. Is it true? What went wrong?

The criticism is at least partly a misunderstanding what macroeconomic research can and cannot deliver. There is a long history of research in macro about economic and financial crises. It has provided insights about the macroeconomic fundamentals, which make it more likely that crises occur. It has also shown that changes in beliefs that are unrelated to changes in fundamentals may play a role in triggering crises. What macro cannot deliver are precise predictions when exactly these crises occur (although some pundits would like to make you believe otherwise). This is as much of a futile exercise as predicting tomorrow's stock price. Most of the time, markets are pretty efficient and when they are not, it is difficult to tell beforehand. If I could tell, I would be at the beach instead of doing this interview ...

How did research in macroeconomics respond? What are the hot topics in macroeconomics today?

The financial crises has triggered a lot of research that has modelled the financial sector in more detail than used to be the case. Importantly, it has also pushed the profession to experiment with less standard approaches. Hot topics? There are many (macro is an exciting field) but one is particularly interesting. Recent advances in methodology and newly available data make it possible to analyze in much more detail how inequality/heterogeneity affects the transmission of monetary and fiscal policy. I expect this research to generate fascinating new insights that could improve economic policy.



How fast is new macroeconomic research finding its way into teaching? How have the textbooks and course syllabi changed compared to ten years ago?

The curricula have changed a lot at the master and PhD level as methodologies have advanced. Given that models at the research frontier are much less simplistic than they used to be, this is also reflected in how we teach at the bachelor level, emphasizing and discussing much more the limits of the necessarily simplified models.

Why is a HSG bachelor degree in economics such a good 'door opener' for student careers? What are the particular strengths of the program and where do students go?

Recent analysis of data from our alumni shows that they have a wide range of career options in the private and public sector and in academia. Most bachelor graduates either sharpen their skills in our Master programs or opt for other programs close to economics here at HSG. Some students continue at prestigious universities in the UK or US. MEcon or MiQEF are a natural choice since they start exactly where bachelor education in economics ends. Frictions may be larger when joining other programs.

Strengths of the program? We continuously work on the quality of our program. Recently, we have added courses on data analytics, programming and database management so that students are better prepared to work with the new shapes and forms of data that are becoming available. Combined with sound training in economics, students can then employ these new forms of data to answer important economic policy questions.

What is your own research about? What is the most favorite course you teach? What do you do when you are not busy with research or teaching?

My research interests are at the intersection of macroeconomics with financial economics and labor markets. I enjoy teaching and discussing economics at all levels (bachelor, master, PhD). Besides these activities, my steady state requires some sports and music with friends and family.

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