

You are cordially invited to attend the Science Tuesday on **24 May, 2023** at **3 p.m.** when Professor **Irina Panovska** will present the paper

## **Business Cycle Synchronization and Asymmetry in the European Union**

The paper is a joint work with Vladimir Arčabić and Josip Tica. Please join the ZOOM presentation using the following link:

<https://us06web.zoom.us/j/88916188594>

The working language of the presentation is English.

### **Abstract:**

We analyze business cycle movements and synchronization in the European Union for all members. To account for model uncertainty when estimating the output gap, we average across a set of models for the output gaps using a Phillips Curve motivated weighted average and simple average. Similarly, we measure synchronization using different measures that consider the business cycle phase and amplitude. Three sets of robust results emerge. First, when using individual models, both the estimated gaps and the level of synchronization can send different signals depending on the statistical model used by the researcher. Second, our averaged estimated gaps align well with recession dates and suggest that many countries exhibit a high degree of business cycle nonlinearities. Finally, the core Eurozone countries are highly synchronized, but there are significant differences in synchronization among non-Eurozone and peripheral Eurozone member states.

### **About the speaker:**

Irina Panovska is an Associate Professor of Economics at the University of Texas at Dallas. She joined UT Dallas in the fall of 2019 and is the 2023 recipient of the EPPS Distinguished Undergraduate Instruction Award. Her research interests include applied macroeconomics and business cycles, with a particular focus on business cycle nonlinearities, the nonlinear transmission of macroeconomic shocks to output and labor markets, and their implications for designing policy. She received her PhD in economics from Washington University in St. Louis in 2013. Prior to joining the UT Dallas faculty, Dr. Panovska was an assistant professor of economics at Lehigh University, where she held an endowed position for excellence in teaching and mentorship. She has also held visiting scholar positions at the University of South Wales in Sydney, Australia, and the Faculty of Economics and Business, University of Zagreb, Croatia. Dr. Panovska has published her research in the Journal of Economic Dynamics and Control, Economics Letters, Journal of International Money and Finance, Macroeconomic Dynamics, Journal of Macroeconomics, Economic Modelling, Studies in Nonlinear Dynamics and Econometrics, Financial Management, and other highly regarded peer-reviewed journals in economics, finance, and policy. Professor Panovska is an elected member of the Executive Committee of the Society for Nonlinear Dynamics and Econometrics and currently serves as the society's treasurer.