

This package allows to replicate Figure 1 of Alesina, Favero and Giavazzi (2018), “What Do We Know About The Effects of Austerity?”, *AEA Papers and Proceedings*

The folder contains the Excel dataset *NewComponents1978-2014_final.xlsx*, EViews programs, an EViews workfile and a folder labelled “figures” collecting the graphs generated in .png format.

The data sets contains our narratively identified fiscal plans for OECD countries and the macro data. For a full description of the database see the website www.igier.unibocconi.it/fiscalplans

In order to run the code you will need **Eviews 9** (or higher) as some of the commands we use, in particular for plotting graphs, are not supported by earlier versions of Eviews.

Notice that the results in the paper are obtained with 1000 bootstrap repetitions. With this specification, it takes several hours for the code to run. The number of repetitions can be changed at the beginning of the program *repl_baseline.prg* by substituting the number after the expression “!REPS”. With 100 repetitions it takes around 20 minutes on our computer.

Steps to replicate Figure 1 in the paper are the following:

1. Set the correct working directory (the easiest way to do this is using the option “update default directory” when opening programs in EViews)
2. Open the program *repl_baseline.prg*
3. Run the code

The program will generate a workfile from scratch and automatically include all the other programs needed to replicate the results. A brief description of what each program file does is included both in *repl_baseline.prg* and at the beginning of each program file.