Paul Levine’s Contributions to Economics
Earliest Paper

• THE FINANCIAL CHARACTERISTICS OF FIRMS AND THEORIES OF MERGER ACTIVITY, J Ind Ec, 1981

• with SAM AARONOVITCH, father of the more famous David

• They found little evidence that acquiring firms seek out less efficient firms in order to utilise their resources more efficiently, which is consistent with later papers finding that shares tend to drop in price over long periods after an acquisition.
Then, to whet the appetite

- With Ali al-Nowaihi
- They demonstrated a mistake in some work by Hahn, and showed that once you get beyond 5 firms, then a period-by-period cobweb type adjustment of output leads to instability
Followed by the path-breaking papers with David Currie

• Between 1985 and 1987 they published 6 papers that laid the general foundations for optimal and time-consistent policy, together with a software package that Paul and I still use

• The greatest compliment paid to them was that the notation they used was copied by Hansen and Sargent in their Robust Policy book.


The London Business School Years

Fiscal and Monetary Policy in EMU

- Thomas Krichel & Paul Levine & Joseph Pearlman, 1996. "Fiscal and monetary policy in a monetary union: Credible inflation targets or monetized debt?" Weltwirtschaftliches Archiv
A Foray into Growth and Trade

Arms Trade

Migration

A return to working with Ali al-Nowaihi

- "Can reputation resolve the monetary policy credibility problem?," *Journal of Monetary Economics*, 1994, which introduced a new game-theoretic refinement, the chisel-proof equilibrium.

- "Can political monetary cycles be avoided?," *Journal of Monetary Economics*. 1998
A further foray: Utilities


Credibility and all that

Robust Rules

Explorations within a DSGE context


• Cantore, Cristiano & Levine, Paul & Melina, Giovanni & Yang, Bo, 2012. "A fiscal stimulus with deep habits and optimal monetary policy," Economics Letters,