Agent-Based Computational Models

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Computational models of many interacting, heterogeneous agents, each endowed with simple behavioral rules permitting action in unknown complex environments, with no direct restrictions on aggregate outcomes.

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→ Ashraf, Gershman and Howitt (2016)
→ Tesfatsion-Judd Handbook of Computational Economics (2006)

Why in macroeconomics?

Autonomy and spontaneous order

Where is the comparative advantage of ABM?

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4. Heterogeneity

Two methodological issues with ABMs

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2. What about the Lucas critique?

Conclusions

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2. A central bank needs more than one model