

Prof. Dr. Alexander Kriwoluzky

## **Frontier papers in Macroeconomics**

### **Aim**

This course aims at enabling students to conduct research in promising areas in macroeconomics. One area is research on the role of household heterogeneity and inequality for the propagation of fiscal and monetary policy, as well as the effects of macroeconomic policies on inequality. Another "hot" areas are macro policies and climate change: what can be done about it and how will climate change affect the economy.

In a first step, we read and discuss recent papers and some classics. The fruitful discussions and the intensive engagement with the topics should lead to the development of independent research ideas.

### **Time and Venue**

Wednesday, 2 pm - 4 pm, Ferdinand-Friedensburg-room at DIW  
Exercise, 4 pm - 6 pm, Ferdinand-Friedensburg-room at DIW

### **Grading**

We start by reviewing some recent papers, which deal with promising potential research topics. Each student will be asked to present one of the papers in class. The presentation will count for 10% of the grade. Participation in the following discussion will count for another 10%. The exercise classes will contain some homework. The solution and potential presentation of the solution will count for another 30%.

Students are asked to develop their own research ideas in the second part of the class. The presentation of the research ideas will count for 20%, a 5 page summary of the research idea for 30% of the final grade.

## **Potential papers**

### **Overview and introductory paper**

- Macro and Inequality: Kaplan and Violante (2021), Ahn et al. (2018), Bilbiie (2019), Acharya and Dogra (2020), Mian et al. (2020)
- Monetary policy shocks: Ramey (2016), Ettmeier and Kriwoluzky (2019)

### **Identification of monetary policy**

- High-frequency identification: Gertler and Karadi (2015), Altavilla et al. (2019)
- Central Bank Information shocks: Miranda-Agrippino and Ricco (2020), Bauer and Swanson (2021)
- State-dependence of monetary policy: Tenreyro and Thwaites (2016)

### **Monetary policy and heterogeneity**

- Estimated HANK model: Bayer et al. (2020a), Auclert et al. (2020)
- Monetary policy and the role of heterogeneity: Auclert (2019), Kaplan et al. (2018), Luetticke (2021)
- Distributional effects of monetary policy: Lenza and Slacalek (2018), Coibion et al. (2017), Derenoncourt et al. (2021)
- Monetary policy, banks, and firms: Altavilla et al. (2020), Paul (2020)
- Heterogenous expectations: Reis (2020), Reis (2021)
- Optimal monetary policy in HANK: Acharya et al. (2020)

### **Fiscal policy and heterogeneity**

- Marginal tax rates: Mertens and Olea (2018)
- Effects of fiscal policy: Bayer et al. (2020b), Auclert et al. (2018), Wolf (2021), Seidl and Seyrich (2021), Cloyne et al. (2020)

## Household heterogeneity in international macroeconomics

- Role of exchange rates: Auclert et al. (2021)
- Foreign shocks in small open economy: de Ferra et al. (2020)

## Macroeconomics and climate change

- Hansen (2021), Kaenzig (2021), Metcalf and Stock (2020), Barrage (2020), Bolton and Kacperczyk (2021), Fried et al. (2021), Engle et al. (2020)

## Further paper

- Jiang et al. (2021)

## Exercises

There will be 6 exercises that introduce the basic knowledge to solve heterogeneous agent models and some empirical methods such as local projections and proxy SVAR models.

Dates for the exercises are: October 27th, November 10th, November 24th, December 1st, December 8th, December 15th.

## References

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