

19th Annual Dynare Conference on
Heterogeneity and Nonlinearities in Macroeconomics
Helsinki, Finland
June 5–6, 2025

Thursday, 5 June 2025

08:45–09:15	Registration and coffee
09:15–09:30	Opening and welcome (room: Viktor Julius von Wright)
09:30–11:00	Parallel Sessions 1: Heterogeneity 1 and Fiscal
<p>Session 1A: Heterogeneity 1</p> <p>Room: Viktor Julius von Wright</p> <p>Chair: Jorge Abad</p>	<p>Occasionally Binding Constraints in DSGE Models with Heterogeneous Agents: a Generalised Nonlinear Framework and Applications to Inequality & Monetary Policy at the ZLB <u>Biagio Rosso</u> (University of Cambridge) joint with <u>Matteo Gatto</u> (Sapienza, University of Rome)</p> <p>Government Investment in a Heterogeneous-Agent New Keynesian Model <u>Matija Lozej</u> (Central Bank of Ireland)</p> <p>The Heterogeneous Bank Lending Channel of Monetary Policy <u>Jorge Abad</u> (Banco de España) joint with Saki Bigio (UCLA), Salomón García, Joël Marbet, Galo Nuño (all Banco de España)</p>
<p>Session 1B: Fiscal</p> <p>Room: Tokoinranta</p> <p>Chair: Hugo Minnella</p>	<p>Government spending and directed technological change <u>Marco Membretti</u> (European Commission) joint with Christian Bayer (University of Bonn), Benjamin Born (Frankfurt School of Finance), Marco Ratto and Philipp Pfeiffer (European Commission)</p> <p>Making Fiscal Consolidation Acceptable <u>Jocelyn Maillard</u> (CEPREMAP (i-MIP)) joint with François Langot (Le Mans University, PSE, Cepremap), Selma Malmberg (Le Mans University, i-MIP (CEPREMAP-PSE)), Fabien Tripier (Université Paris Dauphine, Cepremap) ja Jean-Olivier Hairault (PSE, CEPREMAP)</p> <p>Fiscal and Monetary Interaction in the Eurozone with Heterogeneous Agents <u>Hugo Minnella</u> (Le Mans University and CEPREMAP) joint with François Langot ((Le Mans University (GAINS-TEPP, IRA), Institut Universitaire de France, i-MIP (PSE and CEPREMAP))</p>
11:00–11:30	Coffee break

11:30–13:00	Parallel Sessions 2: Monetary Policy 1 and Finance
<p>Session 2A: Monetary Policy 1</p> <p>Room: Viktor Julius von Wright</p> <p>Chair: Koji Takahashi</p>	<p>Monetary policy in the Euro Area: When the Phillips curves... are curves <u>Alex Grimaud</u> (OeNB) joint with Guido Ascari (DNB), Alexandre Carrier (ECB), Emanuel Gasteiger (TU Wien) and Gauthier Vermandel (Ecole Polytechnique)</p> <p>Resolving New Keynesian Puzzles <u>Nigel McClung</u> (Bank of Finland) joint with Maria Eskelinen (Oxford) and Chris Gibbs (University of Sydney)</p> <p>Mind the gap when exiting low-for-long Koji Takahashi (Bank of Japan) joint with Daisuke Ikeda (Bank of Japan) and Wataru Hagio (Bank of Japan)</p>
<p>Session 2B: Finance</p> <p>Room: Tokoinranta</p> <p>Chair: Myroslav Pidkuyko</p>	<p>Corporate Debt Composition, Access to Finance and Monetary Policy <u>Adam Gulan</u> (Bank of Finland) joint with Aino Silvo (Bank of Finland)</p> <p>Customer Capital and the Aggregate Effects of Short-Termism <u>Luigi Pollio</u> (UMBC) joint with Alessandro Dario Lavia (Boston College) and Marco Errico (Bank of Italy)</p> <p>Opening the Black Box: Aggregate Implications of Public Investment Heterogeneity <u>Myroslav Pidkuyko</u> (Bank of Spain) joint with Henrique S. Basso (Bank of Spain, CEMFI) and Omar Rachedi (ESADE, Universitat Ramon Llull)</p>
13:00–14:00	Lunch break
14:00–15:30	Parallel Sessions 3: Heterogeneity 2 and Inflation
<p>Session 3A: Heterogeneity 2</p> <p>Room: Viktor Julius von Wright</p> <p>Chair: Pascal Meichtry</p>	<p>When does household heterogeneity matter for aggregate fluctuations? <u>Zheng Gong</u> (University of Bonn)</p> <p>Battle of the Ages: Distributional and Aggregate Effects of Monetary Policy in a Model with Age Demographics <u>Annuikka Ristiniemi</u> (ECB) joint with Wouter den Haan (London School of Economics, CEPR, CFM), Alessandro Ferrari (ECB) and Falk Mazelis (ECB)</p> <p>Sticky Information, Heterogeneity, and Aggregate Demand <u>Pascal Meichtry</u> (Banque de France)</p>
<p>Session 3B: Inflation</p> <p>Room: Tokoinranta</p> <p>Chair: Michal Marenčák</p>	<p>Inflation return: look-through policy under incomplete information <u>Ginters Bušs</u> (Latvijas Banka) joint with Guido Traficante (Università Europea di Roma)</p> <p>From waves to rates: enhancing inflation forecasts through combinations of frequency-domain models <u>Fabio Verona</u> (Bank of Finland)</p> <p>Inflation Perceptions and Monetary Policy <u>Michal Marenčák</u> (National Bank of Slovakia) joint with Volker Hahn (University of Konstanz)</p>

15:30–16:00	Coffee break
16:00–17:15	Keynote address by Matteo Iacoviello (Federal Reserve Board) Room: Viktor Julius von Wright
17:15–17:25	Break
17:25–18:25	Parallel Sessions 4: QE and Production
Session 4A: QE Room: Viktor Julius von Wright Chair: Alessandro Lin	Non-linear Monetary Shocks in the Euro Area: The Role of Liquidity Constraints and Labor Market Frictions <u>Louise Narbonne</u> (University of Rennes) Natural Disasters and Central Bank Asset Purchases <u>Alessandro Lin</u> (Bank of Italy) joint with Alessandro Cantelmo (Bank of Italy) and Francesco Zanetti (University of Oxford)
Session 4B: Production Room: Tokoinranta Chair: Patrick Grüning	Industrial Policy Wars and Inequality: Who Loses and When? <u>Ziran Ding</u> (Bank of Lithuania) joint with Adam Hal Spencer (University of Bonn) and Zinan Wang (Tianjin University) Stranded Capital in Production Networks: Implications for the Economy of the Euro Area <u>Patrick Grüning</u> (Bank of Latvia) joint with Zeynep Kantur (Baskent University)
19:00	Conference dinner

Friday, 6 June 2025

09:00–09:30	Coffee
09:30–11:00	Parallel Sessions 5: Computational 1 and Heterogeneity 3
Session 5A: Computational 1 Room: Viktor Julius von Wright Chair: Hanno Kase	Iterative Refinement of the QZ Decomposition for Solving Linear DSGE Models <u>Alexander Meyer-Gohde</u> (Goethe-Universität Frankfurt) joint with Johannes Huber (Universität Regensburg) Taylor Projection under Tail Risk <u>Juan Carlos Parra-Alvarez</u> (Aarhus University) joint with Oskar Arnt Juul (Copenhagen Business School) Generative Economic Modeling <u>Hanno Kase</u> (European Central Bank) joint with Fabio Stohler (University of Bonn) and Matthias Rottner (BIS, Deutsche Bundesbank)
Session 5B: Heterogeneity 3 Room: Tokoinranta	Sectoral Exposure to Aggregate Fluctuations, Employment Risk and Monetary Policy <u>Uros Herman</u> (Aix-Marseille Université, AMSE) Income Tax Fluctuations and Uncertainty <u>Selma Malmberg</u> (i-MIP (CEPREMAP-PSE))

Chair: Clara Lindemann	Inflation, Inequality, and the Business Cycle <u>Clara Lindemann</u> (Goethe University Frankfurt) joint with Sofia Semik (Goethe University Frankfurt) and Mathias Trabandt (Goethe University Frankfurt, IWH, CEPR)
11:00–11:30	Coffee break
11:30–13:00	Parallel Sessions 6: Monetary Policy 2 and Computational 2
Session 6A: Monetary Policy 2 Room: Viktor Julius von Wright Chair: Markus Haavio	Credit strikes back: The macroeconomic impact of the 2022-23 ECB monetary tightening and the role of lending rates <u>Alessandro Notarpietro</u> (Banca d'Italia) joint with Antoniomaria Conti (Banca d'Italia) and Stefano Neri (Banca d'Italia) Forward guidance and fiscal rules in HANK <u>Ansgar Rannenberg</u> (National Bank of Belgium) Monetary Policy Announcements and Sacrifice Ratios <u>Markus Haavio</u> (Bank of Finland) joint with Gene Ambrocio (Bank of Finland) and Nigel McClung (Bank of Finland)
Session 6B: Computational 2 Room: Tokoinranta Chair: Junior Maih	Inflation Plucking Cycles <u>Oskar Arnt Juul</u> (Copenhagen Business School) joint with Peter Lihn Jørgensen (Copenhagen Business School) Approximating around the Stochastic Steady State Matters: Rethinking Uncertainty Shocks in Small Open Economies <u>Guillermo Hausmann Guil</u> (Vilnius University) Real-Time Detection of Regime Shifts Using Markov-Switching DSGE Models <u>Junior Maih</u> (Norges Bank) joint with Annukka Ristiniemi (ECB)
13:00–14:00	Lunch break
14:00–15:15	Keynote address by Leonardo Melosi (European University Institute) Room: Viktor Julius von Wright
15:15–15:45	Coffee break
15:45–17:15	Parallel Sessions 7: International and Monetary Policy 3
Session 7A: Monetary Policy 3 Room: Viktor Julius von Wright Chair: Dominik Hecker	Optimal Credit Market Policy <u>Matteo Iacoviello</u> (Federal Reserve Board) Leverage Cycle over the Life Cycle: A Quantitative Model of Endogenous Leverage <u>Yi Ping</u> (European Research University) Navigating Uncertainty in New Keynesian Models: Stochastic Volatility, Learning, and Optimal Policy Responses <u>Dominik Hecker</u> (University of Kiel)

<p>Session 7B: International</p> <p>Room: Tokoinranta</p> <p>Chair: Nikolai Stähler</p>	<p>Unconventional Monetary Policy in a Small Open Economy <u>Stefan Laseen</u> (Sveriges Riksbank) joint with Marcin Kolasa (IMF) and Jesper Lindé (IMF)</p> <p>Cyclicalities of the trade balance and the transmission of international shocks <u>Maria Eskelinen</u> (University of Oxford)</p> <p>America First? The Macroeconomic Implications of Punitive Tariffs <u>Nikolai Stähler</u> (Deutsche Bundesbank) join with Anne Ernst, Natascha Hinterlang and Marius Jäger (all Bundesbank)</p>
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