



Fachbereich VWL / Department of Economics

# EconNewsletter

Editorial Contact: Michael Paetz  
tel: +49 40 42838-5561; e-mail: econ.newsletter.Wiso@uni-hamburg.de

MAY 18 – MAY 22, 2020

NEWSLETTER 2020-9

## SEMINAR CALENDAR

All seminars listed below will be held virtually this semester.

### Quantitative Economics

[Mark Weder, Aarhus University:](#)

Tuesday May 19

*Do We Really Know that Monetary Policy was Destabilizing in the 1970s?* 12:15–13:30

Please register via the following link:

<https://uni-hamburg.zoom.us/meeting/register/tJYucu2rqj8tGNWr9oMgGntPoPvsSHmmyVtQ>

### Environmental and Development Economics

- no seminar -

### Hamburg Lectures on Law & Economics

- no seminar -

### PhD Seminar

- no seminar -

**All other seminars are cancelled until further notice.**

If you are interested in meeting with one of the speakers, please contact the respective organizer. Further information can be found on our homepage:

<https://www.wiso.uni-hamburg.de/fachbereich-vwl/forschung/forschungsseminare.html>

## ABSTRACTS

### **Quantitative Economics**

Mark Weder, Aarhus University:

*Do We Really Know that Monetary Policy was Destabilizing in the 1970s?*

---

*Abstract:*

The paper re-examines whether the Federal Reserve's monetary policy was a source of instability during the Great Inflation by estimating a sticky-price model with positive trend inflation, commodity price shocks and sluggish real wages. Our estimation provides empirical evidence for substantial wage-rigidity and finds that the Federal Reserve responded aggressively to inflation but negligibly to the output gap. In the presence of non-trivial real imperfections and well-identified commodity price-shocks, U.S. data prefers a determinate version of the New Keynesian model: monetary policy-induced indeterminacy and sunspots were not causes of macroeconomic instability during the pre-Volcker era.

*The next EconNewsletter will be published on Monday, May 25, 2020.*

*Editorial deadline: Friday, May 22, 2020.*

### **EconNewsletter**

Department of Economics

University of Hamburg

Von-Melle-Park 5, 20146 Hamburg

To un/subscribe from/to this newsletter, please  
send an e-mail to [econ.newsletter.Wiso@uni-hamburg.de](mailto:econ.newsletter.Wiso@uni-hamburg.de)