Wir laden Sie herzlich zur nächsten Veranstaltung des Potsdam Research Seminar in Economics am **13.06.2017** ein.
Das Seminar findet von **14.00 bis 16.00 Uhr** (c.t.) in Raum **3.06.S23** statt.

Referent:
Prof. Dr. Atanas Christev
Heriot-Watt University Edinburgh

Thema des Vortrages:
The Welfare Losses of Adaptive Learning Dynamics

Abstract:
We study optimal monetary policy with adaptive learning. In the paper we establish a proximate relation between the lower speed of convergence in the mean dynamics and the higher welfare losses associated with learning algorithms characterized by the existence of the invariant distribution of agents' beliefs in equilibrium. To lower the loss of welfare under imperfect knowledge, the speed at which the learning dynamics converges in distribution has to be higher. We show this result using a purely-forward looking New Keynesian model with an expectations-based monetary policy rule, and give account of it in richer settings of the model in the literature on optimal policy. The procedure for computing the welfare losses can be generalized to derive the welfare criterion in a closed form solution for different values of the parameter space governing the (optimal) policy choices.

Wir freuen uns auf Ihre Teilnahme.