

Banka Slovenije
in cooperation with
the Research Centre of the School of Economics and Business
invites you to a seminar

Sources and Channels of Nonlinearities and Instabilities of the Phillips Curve: Results for the Euro Area and Its Member States

Speaker:

Martin Wagner

University of Klagenfurt, Banka Slovenije, Institute for Advanced Studies, Vienna and University of Ljubljana

The seminar will be held in the
Great Hall (Avla) of Banka Slovenije
on **Thursday 2 March 2023 at 14:00 CEST**

Abstract:

This paper presents evidence for sources and channels of nonlinearities and instabilities of the New-Keynesian Phillips curve (NKPC) for the euro area and all but four member states over the last two decades prior to the COVID-19 crisis. The approach rests upon misspecification testing using auxiliary regressions based on the standard open-economy hybrid NKPC. Using a large number of specifications, this approach allows to systematically, i. e., based on a literature review, disentangle the evidence for nonlinearities and instabilities of the NKPC according to sources and channels. For the euro area and most considered member states, there is substantial evidence for nonlinearities and instabilities. The relatively most important channels of nonlinearities and instabilities are similar across countries, whereas the relatively most important sources differ across countries. The results strongly indicate the need for considering nonlinear NKPC relationships in empirical analyses and also point towards potentially useful nonlinear specifications.

About the author:

Martin Wagner is currently Full Professor of Economics at the University of Klagenfurt where he heads the Quantitative Economics Division, Chief Economic Advisor to Banka Slovenije's Governor, Senior Fellow of the Macroeconomics and Economic Policy group at the Institute for Advanced Studies, Vienna and Visiting Professor at the University of Ljubljana. From October 2017 until end of 2018 he was Chief Economist of Banka Slovenije, being on leave from Technical University Dortmund, where he has been Professor of Econometrics and Statistics in the Faculty of Statistics of the Technical University Dortmund from 2012 until 2019. He obtained Diplomas in Mathematics (1995) and Economics (1998), as well as his Doctorate (2000) at the Technical University Vienna and the Institute for Advanced Studies in Vienna. He obtained his Habilitation in Economics in 2007 at the University of Bern. Martin Wagner has worked at the Technical University of Vienna, the Institute for Advanced Studies in Vienna, the University of Bern and has been Professor of Econometrics and Empirical Economics at the University of Graz before his arrival in Dortmund. Visiting positions have brought him to Princeton University and the European University Institute in Florence. His work has been published, amongst other outlets, in Journal of Econometrics, Econometric Theory, Journal of Applied Econometrics, Econometric Reviews, Econometrics, Oxford Bulletin of Economics and Statistics, Journal of Empirical Finance, Economics of Transition and Ecological Economics.

How to sign up:

Please send an email to sign up for the seminar to seminar@bsi.si. You can sign up by Tuesday 28 February 2023. The seminar will be in English.