

# Contents

List of Original Working Papers	vi
Danksagung	vii
Overview	viii
Deutsche Zusammenfassung	ix
<b>1 Unconventional Monetary Policy in a DSGE-Model</b>	<b>1</b>
1.1 Introduction . . . . .	1
1.2 Model . . . . .	4
1.2.1 Household . . . . .	4
1.2.2 Entrepreneur . . . . .	5
1.2.3 Capital Producer . . . . .	7
1.2.4 Retailer . . . . .	7
1.2.5 Commercial Bank . . . . .	7
1.2.6 Investment Bank . . . . .	9
1.2.7 Central Bank . . . . .	11
1.2.8 Aggregate conditions . . . . .	12
1.3 Calibration . . . . .	13
1.4 Results . . . . .	14
1.4.1 Impulse Responses to shocks . . . . .	15
1.4.2 Monetary policy in times of Boom-Bust cycles . . . . .	17
1.4.3 Exit strategies . . . . .	18
1.5 Conclusion . . . . .	20
1.A Appendix . . . . .	21
<b>2 Fiscal and Monetary Policy in the Euro Area</b>	<b>37</b>
2.1 Introduction . . . . .	37
2.2 Model . . . . .	40
2.2.1 Households . . . . .	40

2.2.2	Firms . . . . .	44
2.2.3	Monetary and fiscal rules . . . . .	44
2.2.4	Market clearing . . . . .	46
2.2.5	Foreign Economy . . . . .	46
2.3	Estimation . . . . .	47
2.3.1	Data . . . . .	47
2.3.2	Deviations from Steady State . . . . .	48
2.3.3	Calibration . . . . .	49
2.3.4	Bayesian Estimation of Each Country . . . . .	50
2.4	Solution . . . . .	51
2.4.1	Stacking according to GVAR Methodology . . . . .	51
2.4.2	Solution to Rational Expectations Model . . . . .	52
2.5	Results . . . . .	53
2.5.1	Fiscal Spillovers . . . . .	53
2.5.2	Decomposition of Channels . . . . .	55
2.5.3	Monetary Transmission . . . . .	56
2.5.4	Stabilization Policy . . . . .	57
2.5.5	Predominance of Monetary Policy . . . . .	58
2.6	Conclusion . . . . .	59
2.A	Appendix . . . . .	61
<b>3</b>	<b>(G)VAR</b> . . . . .	<b>92</b>
3.1	Introduction . . . . .	92
3.2	Analytical results . . . . .	94
3.2.1	Dynamic analysis . . . . .	94
3.2.2	Effects of misspecification . . . . .	98
3.3	Numerical results . . . . .	100
3.3.1	Univariate case . . . . .	100
3.3.2	Multivariate case . . . . .	101
3.4	Empirical Application . . . . .	103
3.4.1	Data . . . . .	103
3.4.2	Models and Estimation . . . . .	104
3.4.3	Results . . . . .	106
3.5	Conclusion . . . . .	108
3.A	Appendix . . . . .	110
	<b>Bibliography</b> . . . . .	<b>123</b>