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Reports

53rd Konstanz Seminar on Monetary Theory and Policy 2022

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The 53rd Konstanz Seminar on Monetary Theory and Policy was held from 31 May to 2 June 2022. After the pandemic had forced the conference to move online in 2020 and to a hybrid format in 2021, this year's conference was held with 45 participants on site. The Konstanz Seminar provides an independent platform for intense discussion of recent developments in monetary theory and policy. Each year it brings together leading senior academics, junior researchers, participants from the Federal Reserve System, European central banks, and international organisations, as well as practitioners from the private sector. Founded by renowned monetarist Karl Brunner in 1970 and currently organised by a team of researchers, with Keith Kuester as the local organiser, the seminar looks back on a unique tradition. The venue traditionally is Strandhotel Löchnerhaus on the island of Reichenau on Lake Constance. The papers for all presentations and the subsequent discussions are briefly presented below. Papers, presentations and discussions can be downloaded from http://www.konstanzseminar.org/.

This year's seminar started with an evening session in which *Alaïs Martin-Baillon* (Sciences Po) presented work on a topic very much at the heart of recent debates: "Should Monetary Policy Care about Redistribution? Optimal Fiscal and Monetary Policy with Heterogeneous Agents." Recent literature has shown that monetary policy generates important redistributive effects. Yet, to what extent monetary policy should *use* these effects and deviate from targeting price stability to improve the well-being of society is debated. Martin-Baillon and her co-authors, François Le Grand (EMLyon Business School) and Xavier Ragot (Sciences Po), study optimal monetary and fiscal policy in response to a temporary decline in productivity in a setting of incomplete markets and nominal frictions. Simplified, they ask whether the government should use inflation (instead of other tools) to reduce the real return and thereby redistribute re-

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