

# Workshop on Redistributive Growth, Credit Trends and Financial Stability

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25 & 26 November 2021



## **Conference Description**

This workshop is the first event in a six year project studying long-term aggregate trends, funded by a NWO Open Competition grant. During this conference, we will introduce the framing of the research agenda and share views from the literature in short presentations, reviewing specific themes related to the project. The intent is to interpret puzzling long trends related to investment, credit allocation and income inequality for developed countries since 1980.

A key goal is to interpret departures from historical trends, such as the fall in productive credit and interest rates, structural breaks in house & share valuations and rising household leverage. A broad framework is needed to explain the large reallocative and redistributive effects caused by these departures, both on credit demand and supply. A working conjecture is that IT progress leads to a shift to intangible investments, favoring skilled human capital, and to an increase in market power. This shift leads to lower funding needs, reducing interest rates since savings are inelastic. An important component of this is likely a large structural demand for safety.

**November 25th (15:00 - 18:45) - Hybrid**

Location: Amsterdam Business School, M3.02

Zoom meeting: <https://uva-live.zoom.us/j/82698479391> (Meeting ID: 826 9847 9391)

***15:00-16:00 – Introduction***

**Outline of NWO project**

**Redistributive Growth, Inequality and Financial Stagnation**

Presenters: Enrico Perotti (U Amsterdam & ESRB) and  
Eric Bartelsman (Free University Amsterdam)

**ESRB Initiative on Long-Term Credit Trends**

Presenters: Thorsten Beck (European University Institute & ESRB) and  
Antonio Sanchez Serrano (European Central Bank)

***16:00-17:00 – Views from the Literature (I)***

*Chair: Eric Bartelsman (Free University Amsterdam)*

**Credit Trends and Valuation in the Long Run**

Presenters: Moritz Schularick (U of Bonn & MacroFinance Lab),  
Kaspar Zimmermann (U of Bonn) and  
Matthijs Korevaar (Erasmus School of Economics)

***17:00-17:15 - Break***

***17:15-18:00 – Views from the Literature (II)***

*Chair: Moritz Schularick (U of Bonn & MacroFinance Lab)*

**Capital share and Inelastic Savings**

Presenter: William Diamond (Wharton, U of Pennsylvania)

**The Rise in Intangible Capital**

Presenter: Nicolas Crouzet (Northwestern University)

***18:00-18:20 – General Discussion***

***18:20-18:45 - Brief PhD Projects***

***18:45 - Drinks***

**November 26th (10:00 - 12:30) - Hybrid**

Location: University of Amsterdam, A3.15 (A-building)

Zoom Meeting: <https://uva-live.zoom.us/j/87471178045> (Meeting ID: 874 7117 8045)

***10:00-11:00 – Intangible Capital, Monetary Policy and Corporate Finance***

*Chair: Thorsten Beck (European University Institute & ESRB)*

**Monetary Policy Transmission and Intangible Investments**

Presenter: Robin Döttling (Rotterdam School of Management)

**Trends in Investment, Cash Holdings, and Human Capital Retention**

Presenter: Tomislav Ladika (U of Amsterdam)

**Inequality and Monetary Policy Transmission through Banks**

Presenter: Farzad Saidi (U of Bonn)

***11:00 - 11:20 - Coffee Break***

***11:20-12:10 – Financial Stability***

*Chair: Enrico Perotti (U Amsterdam & ESRB)*

**Credit Allocation and Cyclical Risk**

Presenter: Karsten Müller (NUS Business School)

**Credit Booms and Financial Engineering**

Presenter: Frederic Malherbe (University College London)

***12:10–12:30 - General Discussion***

***12:45– Lunch***

Location: Café-Restaurant de Plantage

Plantage Kerklaan 36