MASAYUKI INUI

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BROWN UNIVERSITY

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Personal Information:
Citizenships: Japan.

Pre-Doctoral Studies:
Bachelor's Degree in Economics, Kobe University, Japan, 2010
Master's in Economics, The University of Tokyo, Japan, 2013

Graduate Studies:
Brown University, Providence, RI, USA 2017 to present
Ph.D. Candidate in Economics
Expected Completion Date: May 2023

References:
Professor Gauti B. Eggertsson   Professor Pascal Michaillat
Department of Economics, Brown University   Department of Economics, Brown University
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Professor Yann Koby   Professor Fernando Duarte
Department of Economics, Brown University   Department of Economics, Brown University
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Teaching and Research Fields:
Primary field: Macroeconomics and Monetary Economics

Secondary fields: Macro Labor

Research Experience and Other Employment:
2018-2019   Research Assistant for Professor Gauti B. Eggertsson, Brown University
2013-2017   Research Economist, Monetary Affairs Department, The Bank of Japan

Teaching Experience:
Fall 2022	Investment II, Brown University, Teaching Assistant
Spring 2012	Macroeconomics, Graduate School of Public Policy, The University of Tokyo, Teaching Assistant
Spring 2012	Microeconomics, Graduate School of Public Policy, The University of Tokyo, Teaching Assistant

Conferences and Seminar Presentations

Brown University Macro Seminar – Sep. 2022 the U.S., Econometric Society 2022 Asia Meeting* – China, Jun. 2022; The Society for Computational Economics 24th International Conference* – Jun. 2018, Italy; The Swiss National Bank-CEP Conference on "Aggregate and Distribute Effects of Unconventional Monetary Policies"* – Nov. 2017 Switzerland;28th NBER Annual EASE Seminar on Economics – Jun. 2017 Manila; The Reserve Bank of Australia 2016 Annual Macroeconomics Workshop on "Quantitative Macroeconomics" – Dec. 2016 Sydney; The 3rd Bank of Canada and Bank of Japan Joint Annual Conference on "Challenges to Central Bank Policies for Price Stability and Financial Stability" – Sep. 2016 Tokyo; Brown University Breakfast & Lunch Seminar – 2019-2022 the U.S. (*co-author presented)

Honors, Scholarships, and Fellowships:
2022-2023	Dissertation Completion Plan Award, Brown University
2021-2023	Ph.D. Fellowship, Brown University
2020	Third year paper with distinction awarded, Brown University
2017-2021	Ph.D. Fellowship, The Bank of Japan

Research Papers:

"Unique Equilibrium in a Model of Secular Stagnation" (Job Market Paper) "

Abstract: In secular-stagnation models, multiple equilibria can arise, implying that monetary policy may not be able to achieve an inflation target even when the target is sufficiently high and the government is perfectly credible. Under perfect information about fundamentals, a unique equilibrium cannot be pinned down because agents' beliefs are perfectly coordinated. I relax the assumption of perfect information and develop an endogenous equilibrium-selection mechanism by integrating a global-game approach into a secular-stagnation model, which generates strategic complementarity in households' decision-making,"*my action depends on my belief of your action*", resulting in a unique equilibrium choice. In contrast to the existing literature on Secular Stagnation, I find that given an inflation target, a temporary fiscal expansion or an average-inflation-targeting policy (AIT) can raise the likelihood that a better equilibrium is chosen by reinforcing strategic complementarity, which promotes households' ability to coordinate to resolve the demand shortage. In a calibrating example, I find that the selection probability of a secular-stagnation equilibrium was high in the US after the Great Recession but more fiscal expansion and AIT could have reduced it.

"A Model of Monetary and Fiscal Policy and Hyperinflation" (with Gauti B. Eggertsson)

Abstract: This paper proposes a simple model of monetary and fiscal policy that generates hyperinflations. Monetary policy is modeled via the Taylor rule amended with a reaction to debt accumulation. Fiscal policy is assumed to be sustainable (or passive in the language of Leeper (1991)). Nevertheless, we show that the equilibrium is identical to the one prescribed by the so-called Fiscal Theory of the Price Level with active fiscal policy, and can furthermore be microfounded as a Markov Perfect Equilibrium of an infinitely repeated policy game. Using data from the US from 1900-2020 to estimate the effect of fiscal policy on price determination. We find it to be quantitative to be small, even taking into account recent increase in debt. We also show that the model can account for four classic historical accounts of hyperinflation with formulation of a temporary "fiscal crisis" policy regime. The key difference to current US situation is that the countries in questions lost fiscal discipline.

"The Dual Mandate Revisited" (with Gauti B. Eggertsson)

Abstract: In standard New Keynesian (NK) models the quadratic loss function has a tiny relative weight on output when compared to inflation. Such a tiny weight calls into question the appropriateness of a DM. ``Is the NK inconsistent with the DM?''. To answer this, we derive the loss function that results when there is state-dependent pricing in the goods market (rather than time-dependent pricing, as is standard in many versions of the NK model) and show that the relative weight of output increases by 17 times compared to the NK model, making the welfare function closer to that of a DM. Such a dramatic change depends on the nature of state-dependent pricing. Under the state-dependent pricing model, the size of the inaction region for price setting, which is derived by solving the optimal price-setting problem, is stable against fluctuations in inflation and idiosyncratic risk. Thus, a relative cost of inflation to the output gap is largely suppressed. As applications, we revisit the optimal monetary policy at the effective lower bound and the optimal inflation target. We find that the optimal commitment overshoots inflation and smooths the normalization of the interest rate. Firm heterogeneity matters for the optimal inflation target, unlike in most of the NK literature.

"Effects of Monetary Policy Shocks on Inequality in Japan" (with Nao Sudo and Tomoaki Yamada)

Abstract: The impacts of monetary easing on inequality have been attracting increasing attention recently. In this paper, we use the large microdata on Japanese households to study the distributional effects of monetary policy. We construct quarterly series of income and consumption inequality measures from 1981 to 2015, and estimate their response to a monetary policy shock. We find that monetary policy shocks do not have a statistically significant impact on inequality across Japanese households in a stable manner. When considering inequality across households whose head is employed, we find evidence that, before the 2000s, an expansionary monetary policy shock increased income inequality through a rise in earnings inequality. Such procyclical responses are, however, scarcely observed when the current data are included in the sample period, or when earnings inequality across all households is considered. We also find that transmission of income inequality to consumption inequality is minor, including the periods when procyclicality of income inequality was pronounced. Using a two-sector HANK model with attached labor inputs, we show that labor market flexibility is central to the dynamics of income inequality after monetary policy shocks.

Languages: English (Full professional proficiency), Japanese (Native)

Coding: Matlab, Stata, R, Excel