

Abstract

Jakub Doležal¹

¹) Institute of Economic Studies, Faculty of Social Sciences, Charles University
50735965@fsv.cuni.cz

The thesis discusses the topic of helicopter money — unconventional monetary policy aimed at increasing sub-target inflation and reviving GDP growth when the orthodox monetary policy is constrained by the zero lower bound (ZLB) on policy rates. From the perspective of the households, helicopter money transfer is a windfall gain. Part of the transfer — marginal propensity to consume (MPC) — is within weeks turned into consumption. MPC directly affects the outcomes of the policy, it is therefore advisable to predict it. The first part of the thesis describes unconventional monetary with special emphasis on helicopter money, quantitative easing and debt monetization. The second part is then devoted to identifying country-level drivers of MPC and subsequently predicting average MPC across Czech households using meta-analytic approach. While controlling for publication bias and performing variables selection through Least Absolute Shrinkage and Selection Operator (lasso) the model predicts average marginal propensity to consume the transfer ranging from 0.46 to 0.51 during the years of sub-target inflation and under ZLB on policy rates within the Czech economy.