

# Impaired transmission mechanism

- “push on a string” or “trapped, constrained to push”
  1. ZLB  $\Rightarrow$  unconventional MoPo
  2. Threat of runs (e.g. jump in multiple equilibria)
    - Interest rate cut might be seen as weak signal
    - CB’s action might be viewed as coordination device
  3. Threat to financial instability
    - “Financial dominance”
  4. Monetary Transmission Mechanism works differently across sectors/regions
    - “Sectorally impaired”  $\leftarrow$  *later more*