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Joint Vienna Institute / Institute for Capacity Development – European and Middle Eastern Division

Course on Monetary Policy Analysis (JV15.03)

Vienna, Austria

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Selected Readings

Session	Topic
L–1	**The Transmission Mechanism and the Forecasting and Policy Analysis System** Klein, Michael W., Jay C. Shambaugh, 2013, "Is there a dilemma with the Trilemma?" VOXEU, 27 September 2013. http://www.voxeu.org/article/dilemma-financial-trilemma Ireland, Peter N., 2005, "The Monetary Transmission Mechanism," Working Papers No. 06–1 (Federal Reserve Bank of Boston). http://www.bos.frb.org/economic/wp/wp2006/wp0601.pdf Laxton, Douglas, David Rose, and Alasdair Scott, 2009, "Developing a Structured Forecasting and Policy Analysis System to Support Inflation-Forecast Targeting (IFT)," IMF Working Paper 09/65 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2009/wp0965.pdf
L–2	**Approaches to Monetary Analysis** Speech by Otmar Issing, Member of the Executive Board of the ECB, 2005, "The ECB and Its Watcher VII", Conference, June 3, (Frankfurt am Main: European Central Bank). http://www.ecb.int/press/key/date/2005/html/sp050603.en.html Masuch, K., Pill, H., Willeke, C., 2001, "Framework and Tools of Monetary Analysis", in Klockers, H.J. and Willeke, C., ed. Monetary Analysis: Tools and Applications, (Frankfurt am Main: European Central Bank). http://www.ecb.int/events/pdf/conferences/ecbmonetaryanalysis.pdf
L–3	**Introduction to New Keynesian Economics** Galí, Jordi and Mark Gertler, 2007. "Macroeconomic Modeling for Monetary Policy Evaluation," NBER Working Paper 13542. (Cambridge: National Bureau of Economic Research). http://www.nber.org/papers/w13542.pdf?new_window=1 Woodford, Michael, 2013, "Inflation Targeting: Fix it, don't Scrap it," published in L. Reichlin and R. Baldwin, eds., *Is inflation targeting dead? Thinking ahead about central banking after the crisis* (CEPR, 2013). http://www.voxeu.org/content/inflation-targeting-dead-central-banking-after-crisis.

	Dixon, Huw David, “New Keynesian Macroeconomics,” The New Palgrave Dictionary of Economics, Second Edition, 2008. http://www.dictionaryofeconomics.com/article?id=pde2008_N000166
L–4	**Convergence, Monetary Policy, and the Exchange Rate** The Penn Effect. http://en.wikipedia.org/wiki/Penn_effect Holub, Tomáš, “Price convergence to the EU: Some challenges for monetary policy,” CNB Economic Research Bulletin, No. 1, Vol. 1, December 2003, pp.4-5. http://www.cnb.cz/miranda2/export/sites/www.cnb.cz/en/research/research_publications/erb/download/ERB_No1_2003.pdf Beneš J, Hurník J, Vávra D, 2008, "Exchange Rate Management and Inflation Targeting: Modeling the Exchange Rate in Reduced-Form New Keynesian Models", *Czech Journal of Economics and Finance*, 58 (3–4), pp. 166–194. http://journal.fsv.cuni.cz/mag/article/show/id/1128
L–5	**Nowcasts and Near-Term Forecasts** Stock, J. and M. Watson, 1989, “New Indexes of Coincident and Leading Economic Indicators,” NBER Macroeconomics Annual, Vol. 4, pp. 351–409, (Cambridge: National Bureau of Economic Reseacrh). http://www.nber.org/chapters/c10968.pdf Ouliaris, S., 2011, “What Are Economic Models?” *Finance & Development*, Vol. 48, pp. 46–47, (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/fandd/2011/06/basics.htm Loungani, P. and J. Rodriguez, 2008, “Economic Forecasts: Hard to Rely On?” *Finance & Development*, Vol. 45, pp. 42–43, (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/fandd/2008/09/picture.htm
L–6	**An Introduction to a Model for Monetary Policy Analysis** Berg, A., Karam, P. and D. Luxton, 2006, “Practical Model-Based Monetary Policy Analysis—A How-To Guide,” IMF Working Paper 06/81 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2006/wp0681.pdf IMF Institute, 2013, “Handout for the Modeling Workshop” (unpublished; Washington: IMF Institute). Available on Moodle.

L–7	**A Model for Monetary Policy Analysis: Long-run Trends** Beneš J., N'Diaye P., 2004, "A Multivariate Filter for Measuring Potential Output and the NAIRU: Application to the Czech Republic", IMF Working Paper 04/45 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2004/wp0445.pdf Cohen-Setton, Jérémie, Natacha Valla, 2010, "Unnoticed potential output revisions and their impact on the "stimulus/austerity debate," VOXEU, 17 August 2010. http://www.voxeu.org/article/output-revisions-and-stimulus-debate The Economist, 2013, "A natural long-term rate," Free exchange , 26 October 2013. http://www.economist.com/news/finance-and-economics/21588354-central-banks-ignore-century-old-observation-their-peril-natural?frsc=dg%7Ca
L–8	**A Model for Monetary Policy Analysis: Alternative Scenarios** Andrle, Michal, Tibor Hlédik, Ondra Kameník and Jan Vlček, 2010, "Implementing the New Structural Model of the Czech National Bank," *Economic Research Bulletin*, Vol. 8, No. 1, pp. 2–7, (Prague: Czech National Bank). http://www.cnb.cz/miranda2/export/sites/www.cnb.cz/en/research/research_publications/erb/download/ERB_No1_2010.pdf The Central Bank of Iceland, 2006, "New presentation of the macroeconomic and inflation forecast" Monetary Bulletin 2006 II. http://www.cb.is/lisalib/getfile.aspx?itemid=4672 Novotný, Filip and Marie Raková, 2010, "Assessment of Consensus Forecasts Accuracy: The Czech National Bank Perspective," (Prague: Czech National Bank). http://www.cnb.cz/miranda2/export/sites/www.cnb.cz/en/research/research_publications/cnb_wp/download/cnbwp_2010_14.pdf
L–9	**Monetary Transmission Under Stress** Bossone, Biagio, 2013, "Unconventional monetary policies revisited," VOXEU. http://www.voxeu.org/article/unconventional-monetary-policies-revisited-part-i http://www.voxeu.org/article/unconventional-monetary-policies-revisited-part-ii IMF (2013), "Do Central Bank Policies Since the Crisis Carry Risks to Financial Stability?" Chapter 3 of the April 2013 Global Financial Stability Report, (International Monetary Fund). http://www.imf.org/External/Pubs/FT/GFSR/2013/01/pdf/c3.pdf Blanchard, Olivier, 2013, "Monetary policy will never be the same," VOXEU. http://www.voxeu.org/article/monetary-policy-will-never-be-same
L–10	**Monetary Policy Instruments** Alexander, W., Balino, T. and C. Enoch, 1996, "Adopting Indirect Instruments of Monetary Policy," *Finance & Development*, Vol. 33, pp. 14–17, (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/fandd/1996/03/pdf/alexande.pdf

	Bindseil, U., 2004, "The Operational Target of Monetary Policy and the Rise and Fall of Reserve Position Doctrine," ECB Working Paper Series, No. 372, (Frankfurt am Main: European Central Bank). http://www.ecb.int/pub/pdf/scpwps/ecbwp372.pdf
L–11	**Guest Lecture: Sovereign Stress, Unconventional Monetary Policy and SME Access to Finance** Ferrando, A., A. Popov and G. F. Udell, 2014, "Sovereign Stress, Unconventional Monetary Policy and SME Access to Finance", Working Paper http://alexanderpopov.org/Papers/Sovereign_crisis_OMT_and_SME_credit_access.pdf