

INTERNATIONAL MONETARY FUND

IMF Institute for Capacity Development (ICD)/ Joint Vienna Institute (ATI)

Course on Monetary Policy (JV 17.24)

Vienna, Austria

August 28-September 8, 2017

Reading List

Lecture 1 - Introductory Lecture

Svensson Lars E. O. “What Have Economists Learned about Monetary Policy over the past 50 Years?” in Herrman, Heinz, ed., *Monetary Policy Over Fifty Years: Experiences and Lessons*, Routledge, 2009. Available via Internet:

<http://www.riksbank.se/en/Press-and-published/Press-Releases/2007/Svensson-What-have-economists-learned-about-monetary-policy-over-the-past-50-years/>

IMF, 2015, “Evolving Monetary Policy Frameworks in Low-Income and Other Developing Countries”, Board Paper 15/172- Available via Internet:

<http://www.imf.org/external/pp/longres.aspx?id=5001>

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Lecture 2 - Institutional Framework, Goals and Links with Other Policies

Luis Jácome and Tommaso Mancini-Griffoli, 2014, “A Broader Mandate,” *Finance & Development*, June 2014, Vol. 51, No. 2. Available via Internet:

<http://www.imf.org/external/pubs/ft/fandd/2014/06/jacome.htm>

Cukierman, Alex, 2013, “Monetary policy and institutions before, during, and after the global financial crisis,” *Journal of Financial Stability* 9, 373-384 - Available via Internet:

<http://www.sciencedirect.com/science/article/pii/S1572308913000090>

Bernanke, Ben S., 2006, “*The Benefits of Price Stability*”. Available via Internet:

<http://www.federalreserve.gov/newsevents/speech/bernanke20060224a.htm>

Lecture 3 - Main Concepts and Measurements Used in Monetary Policy Analysis

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Schmidt-Hebbel, K. and C. Walsh, 2009 “Monetary policy and key unobservable: evidence from large industrial countries and selected inflation targeting countries.” Central Bank of Chile working paper 527- Available via the Internet:
<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.421.542&rep=rep1&type=pdf>.

Lecture 4 - Monetary Policy Transmission Mechanism

BIS, Monetary and Economic Department, 2008, “Transmission mechanisms for monetary policy in emerging market economies” Working Paper 35 – Available via Internet:
www.bis.org/publ/bppdf/bispap35.pdf

Ireland, P., 2005, “The Monetary Transmission Mechanism” Federal Reserve Bank of Boston, WP 06-1. Available via Internet: <https://www.bostonfed.org/-/media/Documents/Workingpapers/PDF/wp0601.pdf>

Bernanke, B. and M. Gertler, 1995, “Inside the Black Box: the credit channel of monetary policy transmission.” *Journal of Economic Perspectives* 9(4): 27-48. Available via Internet:
http://www.calstatela.edu/faculty/rcastil/ECON_435/Bernanke.pdf.

Lecture 5 – Operational Framework

Ulrich Bindseil, 2014, *Monetary Policy Operations and the Financial System*. Oxford University Press.

Benjamin M. Friedman, and Kenneth N. Kuttner, 2010, “Implementation of Monetary Policy: How Do Central Banks Set Interest Rates?” “NBER WP
<http://www.nber.org/papers/w16165>

Disyatat, Piti, 2008, “*Monetary Policy Implementation: Misconceptions and Their Consequences*,” BIS Working Paper, No. 269 (Basel: Bank for International Settlements). Available via: www.bis.org/publ/work269.pdf

Lecture 6 - Role of Central Bank Communications

Kang, Youngjoo Kang, Ayhan, Koc and others, 2013, “Central Bank Communication Policy, A Comparative Study,” April, The Federal Reserve Bank of New York.
http://new.sipa.columbia.edu/sites/default/files/AY13_FederalReserveBank_FinalReport.pdf

Njuguna Ndung’u, 2014, “Monetary Policy Communications Strategies: Kenya’s Experience” Governor of the Central bank of Kenya, <https://www.bou.or.ug/bou/bou->

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Blinder, Alan S., Michael Ehrmann, Marcel Fratzscher, Jakob de Haan, and David-Jan Jansen, 2008, “What we know and what we would like to know about central bank communication”. <http://www.voxeu.org/article/central-bank-communication>

Lecture 7 - Role of Forecasting and Policy Analysis system

Hurnik, Jaromir and David Vavra (2016), (manuscript). Chapter 5, “Forward Looking Monetary Policy Strategy”

Lecture 8 - Monetary Policy Frameworks

IMF, 2015, “Evolving Monetary Policy Frameworks in Low-Income and Other Developing Countries” Available via Internet:
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IMF, 2014, “Annual Report on Exchange Arrangements and Exchange Restrictions”, pp 1-15 Available via Internet: <http://www.imf.org/external/pubs/nft/2014/areaers/ar2014.pdf>

Jeffrey Frankel, 2011, “Monetary Policy in Emerging Markets: A Survey” in *Handbook of Monetary Economics*, edited by Benjamin Friedman and Michael Woodford, also NBER Working Paper. Available via Internet: <http://www.nber.org/papers/w16125.pdf>

Vítor Constâncio, 2017, “The future of monetary policy frameworks”, ECB vice president, <https://www.ecb.europa.eu/press/key/date/2017/html/ecb.sp170525.en.html>

Lecture 9 - A Quantitative Framework for Monetary Policy Analysis

Berg, Andrew, Philippe D. Karam, and Douglas Laxton, 2006, “Practical Model-Based Monetary Policy Analysis—A How-To Guide,” IMF Working Paper 06/81 (Washington: International Monetary Fund). Available via Internet:
<http://www.imf.org/external/pubs/ft/wp/2006/wp0681.pdf>

Beneš, Jaromír, Jaromír Hurník, and David Vávra, 2008, “Exchange Rate Management and Inflation Targeting: Modeling the Exchange Rate in Reduced-Form New Keynesian Models,” *Czech Journal of Economics and Finance*, Vol. 3–4. Available via Internet:
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Andrle, M., A. Berg, E. Berkes, R. A. Morales, R. Portillo, and J. Vlcek, 2013, [Money Targeting in a Modern Forecasting and Policy System: An Application to Kenya](#), IMF Working Paper 13/239 (Washington: International Monetary Fund).

Lecture 10 - Monetary Policy in Hard Pegs

Michael D. Bordo, Harold James, 2013: The European Crisis in the Context of the History of Previous Financial Crises, NBER Working Paper No. 19112
<http://www.nber.org/papers/w19112>

Taylor, Alan, 2004, “Policymakers in two eras of globalization faced the same “trilemma” of difficult policy”. <https://www.imf.org/external/pubs/ft/fandd/2004/03/pdf/taylor.pdf>

Maurice Obstfeld, Jay C. Shambaugh, Alan M. Taylor, 2005, “The Trilemma in History: Tradeoffs among Exchange Rates, Monetary Policies, and Capital Mobility” Working Paper 10396, <http://www.nber.org/papers/w10396>

Lecture 11 - Monetary Policy in Reserve Money Targeting and Evolving Regimes

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Andrew Berg, Stephen O'Connell, Catherine Pattillo, Rafael Portillo and Filiz Unsal, 2015, “Monetary Policy Issues in Sub-Saharan Africa” in *The Oxford Handbook of Africa and Economics*, Volume 2, Policies and Practices Edited by Célestin Monga and Justin Yifu Lin

Woodford, Michael, 2008, “How Important is Money in the Conduct of Monetary Policy” *Journal of Money, Credit and Banking*, pp.1561-1598 also as NBER Working paper. Available via Internet: <http://www.nber.org/papers/w13325.pdf>

Unit 12: Monetary Policy in Inflation Forecast Targeting regimes

Clinton, Kevin, C. Freedman, M. Juillard, O. Kamenik, D. Laxton and H. Wang, 2015, “Inflation-Forecast Targeting: Applying the Principle of Transparency,” IMF Working Paper 15/132 - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=43023.0>

Hammond, Gill “*State of the art of inflation targeting—2012*,” Centre for Central Banking Studies, Bank of England.
<http://www.bankofengland.co.uk/education/ccbs/handbooks/pdf/ccbshb29.pdf>

Sarwat Jahan, 2012, Inflation Targeting: Holding the Line,” *Finance and Development*.
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Lecture 13 - Monetary Policy in Managed Exchange Rate Regimes

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Lecture 14 - Unconventional Monetary Policies

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Lecture 15 - Monetary Policy, Financial Stability and Macprudential Policy

IMF, 2015, “Monetary Policy and Financial Stability”, IMF policy paper (). Available via Internet: www.imf.org/external/np/pp/eng/2015/082815a.pdf

Adrian, Tobias and Nellie Liang, 2014, “Monetary Policy, Financial Conditions and Financial Stability”, Federal Reserve Bank of New York, Staff reports, No. 690, September. https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr690.pdf.

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Lecture 16 - Monetary Policy in Fund Supported Programs

IMF, 2014, “Conditionality in Evolving Monetary Policy Regimes”, IMF policy paper, March - www.imf.org/external/np/pp/eng/2014/030514b.pdf

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