

**INTERNATIONAL MONETARY FUND**  
**Joint Vienna Institute / Institute for Capacity Development**  
**Course on Monetary Policy (JV18.02)**  
**Vienna, Austria**  
**January 29 – February 09, 2018**  
**Reading List**

**Monday, January 29, L–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.

<http://www.riksbank.se/en/Press-and-published/Press-Releases/2007>

International Monetary Fund, 2015, “Evolving Monetary Policy Frameworks in Low-Income and Other Developing Countries”, Board Paper 15/172 (Washington).

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

Jacker, Jeffrey, 2015, “What Monetary Policy Can and Can’t Do”.

[http://www.richmondfed.org/press\\_room/speeches/president\\_jeff\\_lacker/2015/lacker\\_speech](http://www.richmondfed.org/press_room/speeches/president_jeff_lacker/2015/lacker_speech)

**Monday, January 29, L–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.

<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.

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

Bernanke, Ben S., 2006, “The Benefits of Price Stability”.

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

**Tuesday, January 30, L–3: Main Concepts and Measurements Used in Monetary Policy Analysis**

Svensson, L., 2009, “What have economists learned about monetary policy over the past 50 years? Speech at the Deutsche Bundesbank Conference on “Monetary Policy Over Fifty Years”.

<http://www.riksbank.se/en/Press-and-published/Press-Releases/2007>

Galí J., 2009, “The New Keynesian Approach to Monetary Policy Analysis: Lessons and New Directions”?

<http://www.springer.com/cda/content/document/cda>.

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.

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.421.542&rep=rep1&type=pdf>

#### **Tuesday, January 30, L–4: Monetary Policy Transmission Mechanism (MTM)**

Bank for International Settlements, Monetary and Economic Department, 2008, “Transmission Mechanisms for Monetary Policy in Emerging Market Economies” Working Paper 35.

<http://www.bis.org/publ/bppdf/bispap35.pdf>

Ireland, P., 2005, “The Monetary Transmission Mechanism” Federal Reserve Bank of Boston, WP 06-1.

<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): pp. 27–48.

[http://www.calstatela.edu/faculty/rcastil/ECON\\_435/Bernanke.pdf](http://www.calstatela.edu/faculty/rcastil/ECON_435/Bernanke.pdf)

#### **Tuesday, January 30, L–5: Operational Framework**

Hurnik, Jaromir and David Vavra (2016), “[ ]” (manuscript). Chapter 4, “Operational framework”.

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](http://www.bis.org/publ/work269.pdf)

#### **Wednesday, January 31, L–6: 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](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-downloads/speeches/BoU\\_IMF/2014/All/Monetary-Policy-Communion-Strategy-in-Kenya.pdf](https://www.bou.or.ug/bou/bou-downloads/speeches/BoU_IMF/2014/All/Monetary-Policy-Communion-Strategy-in-Kenya.pdf)

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>

#### **Wednesday, January 31, L–7: Role of Forecasting and Policy Analysis System**

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

### **Wednesday, January 31, L–8: 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).

<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.

[http://journal.fsv.cuni.cz/storage/1128\\_str\\_166\\_194--benes-hurnik-vavra.pdf](http://journal.fsv.cuni.cz/storage/1128_str_166_194--benes-hurnik-vavra.pdf)

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).

<https://www.imf.org/external/pubs/ft/wp/2013/wp13239.pdf>

### **Thursday, February 01, L–9: 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 (Cambridge, Massachusetts: National Bureau of Economic Research).

<http://www.nber.org/papers/w19112>

Taylor, Alan, 2004, “Policymakers in Two Eras of Globalization Faced the Same “Trilemma” of Difficult Policy”, Finance & Development (March), pp.28–31 (Washington: International Monetary Fund).

<http://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 (Cambridge, Massachusetts: National Bureau of Economic Research).

<http://www.nber.org/papers/w10396>

### **Friday, February 02, L–10: Monetary Policy in Reserve and Flexible Money Targeting and Evolving Regimes**

International Monetary Fund, 2015, “Evolving Monetary Policy Frameworks in Low-Income and Other Developing Countries”, (Washington).

<http://www.imf.org/external/np/pp/eng/2015/102315.pdf>

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 (Cambridge, Massachusetts: National Bureau of Economic Research).  
<http://www.nber.org/papers/w13325.pdf>

### **Monday, February 05, L–11: Monetary Policy in Inflation Targeting (IT) 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 (Washington: International Monetary Fund).  
<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*.  
<http://www.imf.org/external/pubs/ft/fandd/basics/target.htm>

### **Tuesday, February 06, L-12: Monetary Policy in Hybrid Regimes**

Benes Jaromir, Berg, Andrew, Portillo, Rafael, Vavra, David, 2013, “Modeling Sterilized Interventions and Balance Sheet Effects of Monetary Policy in a New-Keynesian Framework” IMF Working Paper 13/11 (Washington: International Monetary Fund)  
<http://www.imf.org/external/pubs/cat/longres.aspx?sk=40237.0>

Benes Jaromir, Hurnik, Jaromir, and David Vavra, 2008, “Exchange Rate Management and Inflation Targeting: Modeling the Exchange Rate in Reduced-Form New Keynesian Models” *Czech Journal of Economics and Finance*, 58, 2008, no.3-4.  
[http://journal.fsv.cuni.cz/storage/1128\\_str\\_166\\_194--benes-hurnik-vavra.pdf](http://journal.fsv.cuni.cz/storage/1128_str_166_194--benes-hurnik-vavra.pdf)

Epstein, Natan P., and Rafael Portillo, 2014. “Monetary Policy in Hybrid Regimes: The Case of Kazakhstan.” IMF Working Paper 14/108 (Washington: International Monetary Fund)  
<http://www.imf.org/en/Publications/WP/Issues/2016/12/31/Monetary-Policy-in-Hybrid-Regimes>

### **Wednesday, February 07, L–13: Comparing Monetary Frameworks**

IMF, 2015, “Evolving Monetary Policy Frameworks in Low-Income and Other Developing Countries”.  
<http://www.imf.org/external/np/pp/eng/2015/102315.pdf>

IMF, 2014, “Annual Report on Exchange Arrangements and Exchange Restrictions”, pp 1-15.  
<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.  
<http://www.nber.org/papers/w16125.pdf>

### **Wednesday, February 07, L–14: 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](http://www.imf.org/external/np/pp/eng/2014/030514b.pdf)

IMF ICD, 2013, “Monetary Policy”, chapter [] in *Financial Programming and Policies*, unpublished.

IMF, 1999, “Inflation Targeting and IMF Conditionality”, IMF policy paper, January.  
<https://www.imf.org/external/np/pp/eng/1999/121499.pdf>.

### **Thursday, February 08, L–15: Unconventional Monetary Policies**

Valiante D, 2015, “The ‘Visible Hand’ of the ECB’s Quantitative Easing” CEPS Working Document 407.  
[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2613353](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2613353)

Lavigne, R. S. Sarker and G. Vasishtha, 2014, “Spillover Effects of Quantitative Easing on Emerging-Market Economies,” International Economic Analysis, Bank of Canada.  
<http://www.bankofcanada.ca/wp-content/uploads/2014/11/boc-review-autumn14-lavigne.pdf>

Orphanides A. (2014), “ECB Policy and Fed Normalization”, CEPR Policy Insight, November.  
<http://www.economics21.org/files/pdf/aov4.pdf>

### **Thursday, February 08, L–16: Monetary Policy, Financial Stability and Macroprudential Policy**

International Monetary Fund, 2015, “Monetary Policy and Financial Stability”, IMF Policy Paper (Washington).  
<http://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.  
[http://www.newyorkfed.org/medialibrary/media/research/staff\\_reports/sr690.pdf](http://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr690.pdf)

Powell Jeremy, 2014, Monetary Policy, Risk Taking and Spillovers, Remarks at “Global Research Forum on International Macroeconomics and Finance”, Sponsored by the ECB, the Federal Reserve Board, and the Federal Reserve Bank of New York, November.  
<http://www.federalreserve.gov/newsevents/speech/powell20141114a.htm>