



## ***Call for Papers***

**13th Macroeconomic Policy Research Workshop on**

### ***The Changing Role of Central Banks Post-Crisis***

**October 16-17, 2014**

**Budapest, Hungary**

**Magyar Nemzeti Bank**

**Centre for Economic Policy Research**

**University of Zurich**

**Review of Finance**

The Magyar Nemzeti Bank (MNB), in collaboration with the Centre for Economic Policy Research (CEPR), the University of Zurich, and the Review of Finance will hold its thirteenth Workshop on Macroeconomic Policy Research in Budapest on October 16-17, 2014.

The workshop will focus on the changing role of central banks following the financial crisis of 2008-2009. Before the crisis, central banks viewed price stability as their main objective. This manifested itself in the spread of explicit or implicit inflation targeting (IT) regimes among many central banks. The recent financial crisis challenged this view along several dimensions highlighting the following features of monetary transmission.

(i) Monetary transmission is a more complex mechanism than it had been previously thought. The consensus view was that the real effects of monetary policy took place through interest rates and asset prices, not through any direct effect of monetary or credit aggregates. Consequently, according to the consensus view, it was sufficient to control current and future expected short rates, while all other rates and prices followed since they were linked by arbitrage conditions, and the banking system played only a passive role. Recently the economic profession has started to reconsider these positions with a purpose to replace them with a more detailed view of the monetary transmission mechanism.

(ii) Stable and low CPI inflation does not guarantee overall economic stability. Even if both inflation and the output gap are stable, asset prices, credit aggregates, or external balances may behave in an undesirable manner and trigger painful macroeconomic adjustments later on.

(iii) Financial regulation is not exclusively a micro-prudential tool. Its macroeconomic implications cannot be ignored any longer. As a consequence, the interactions and potential conflicts between monetary and prudential policy should be understood more deeply than previously thought.

(iv) The coordination of fiscal and monetary policies is not a secondary issue either in the pre- or post-crisis periods. Credible monetary policy is insufficient to prevent fiscal authorities from irresponsible pro-cyclical behavior in boom periods. Due to the zero lower bound monetary policy needs the help of fiscal stimulus in crises periods.

The goal of the workshop is to explore the new realities of central banking: how relevant IT remains, are there other possible monetary regimes emerging, are unconventional tools here to stay.

Both empirical and theoretical contributions are welcome in the above topics.

Charles Bean (Deputy Governor, Bank of England and CEPR) and Luc Laeven (IMF, Tilburg University, ECGI and CEPR) will be the two Keynote Speakers of the workshop.

The workshop will be held at the Magyar Nemzeti Bank in Budapest. Participants from central banks are expected to cover costs of travel and local expenses. Costs of participants from academic institutions may be reimbursed by the organizers upon request. No conference fee will be charged. The submission fee for the Review of Finance will be waived for all conference papers submitted to the Review within six months after the conference takes place.

To apply please contact Amanda Vincent-Rous, CEPR Events Officer, at [avincentrous@cepr.org](mailto:avincentrous@cepr.org) or +44 20 7183 8808. Please indicate in your response whether or not you wish to present a paper or would be willing to act as a discussant.

The submitted papers will be reviewed for selection by the organizing committee. Deadline for submitting the extended abstract or a completed draft (strongly preferred) of the paper is 18:00 GMT on June 1, 2014. Decisions on the selected papers will be made by July 1, 2014.

Organizing committee:

- Wouter Den Haan (London School of Economics and CEPR)
- Anna Naszódi (Magyar Nemzeti Bank)
- Steven Ongena (University of Zurich, SFI, Bangor University and CEPR)
- Ibolya Schindele (Magyar Nemzeti Bank and BI Norwegian Business School)
- Balázs Világi (Magyar Nemzeti Bank)

Further information and the final program will be posted at:

<http://english.mnb.hu/Root/ENMNB/Kutatas/academic-conferences>

The program of last year's workshop can be found at:

[http://english.mnb.hu/Kutatas/academic-conferences/mnben\\_konf\\_elozo/12th-macroeconomic-ws](http://english.mnb.hu/Kutatas/academic-conferences/mnben_konf_elozo/12th-macroeconomic-ws)