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PhD Course in Monetary Economics

The list below is a non-exhaustive guide to the literature, with a particular emphasis on policy relevant and non-technical papers that give a broad perspective on subjects. Focus in particular on items marked with * or **.

Lecture 12: Unconventional Policies

Money and Operational Frameworks

Goodfriend, Marvin (2009), “[Central banking in the credit turmoil: An assessment of Federal Reserve practice](#)”, *Journal of Monetary Economics* 58, 1-12

Henckel Timo, Alain Ize, and Arto Kovanen (1999), “[Central banking without central bank money](#)”, IMF Working Paper 99/92

Sveriges Riksbank (2014), “[The Riksbank’s operational framework for the implementation of Monetary Policy – a review](#)”, Riksbank Studies

Woodford, Michael (2000), “[Monetary policy in a world without money](#)”, *International Finance* 3(2), 229-260

*Woodford, Michael (2001), “[Monetary policy in the information economy](#)”, Federal Reserve Bank of Kansas City, proceedings, Jackson Hole Economic Policy Symposium, 297-370

Unconventional Policies

Agarwal, Ruchir and Miles Kimball (2015), “[Breaking through the zero lower bound](#)”, IMF Working Paper WP/15/224

Alsterlind, Jan, Henrik Eriksson, Maria Sandström, and David Vestin (2015), “[How can government bond purchases make monetary policy more expansionary?](#)”, Economic Commentaries No. 12, Sveriges Riksbank

*Armeliu, Hanna, David Forsman, Björn Jönsson, and Anna-Lena Wretman (2015), “[How far can the repo rate be cut?](#)”, Economic Commentaries No. 10, Sveriges Riksbank

*Bank of England (2013), “[Monetary policy trade-offs and forward guidance](#)”, August 2013

Benigno, Pierpaolo and Salvatore Nistico (2015), “[Non-neutrality of open-market operations](#)”, CEPR Working Paper 10594

*Bernanke, Ben (2002), “[Deflation: Making sure ‘it’ doesn’t happen here](#)”, Federal Reserve Board of Governors, speech, November 21

Bernanke, Ben (2003), “[Some thought on monetary policy in Japan](#)”, Federal Reserve Board of Governors, speech, May 31

**Bernanke, Ben (2012), "[Monetary policy since the onset of the crisis](#)", Federal Reserve Board of Governors, speech, August 31

Bernanke, Ben (2016), "[What tools does the Fed have left? Part 1: Negative interest rates](#)", Blog post, March 18, Brookings

Bernanke, Ben (2016), "[What tools does the Fed have left? Part 2: Targeting longer-term interest rates](#)", Blog post, March 24, Brookings

Bernanke, Ben (2016), "[What tools does the Fed have left? Part 3: Helicopter money](#)", Blog post, April 11, Brookings

*Buiter, Willem (2014), "[The simple analytics of helicopter money: Why it works – always](#)", CEPR Discussion Paper 9998

Curdia, Vasco and Michael Woodford (2011), "[The central-bank balance sheet as an instrument of monetary policy](#)", *Journal of Monetary Economics* 58(1), 54-79

D'Amico, Stefania, William English, David Lopez-Salido, and Edward Nelson (2012), "[The Federal Reserve's large-scale asset purchase programs: Rationale and effects](#)", *Economic Journal* 122(564), F415-F446

D'Amico, Stefania and Thomas King (2013), "[Flow and stock effects of large-scale treasury purchases: Evidence on the importance of local supply](#)", *Journal of Financial Economics* 108(2), 425-448

De Grauwe, Paul and Yuemei Ji (2015), "[Quantitative easing in the Eurozone: It's possible without fiscal transfers](#)", voxEU.org, January 15

De Rezende, Rafael, David Kjellberg, and Oskar Tysklind (2015), "[Effects of the Riksbank's government bond purchases on financial prices](#)", Economic Commentaries No. 13, Sveriges Riksbank

Eggertsson, Gauti (2006), "[The deflation bias and committing to being irresponsible](#)", *Journal of Money, Credit, and Banking* 36(2)

**Eggertsson, Gauti (2008), "[Liquidity trap](#)", Palgrave Dictionary of Economics, 2nd edition

**Eggertsson, Gauti and Michael Woodford (2003), "[The zero bound on interest rates and optimal monetary policy](#)", *Brookings Papers on Economic Activity* 34(1), 139-211

Engen, Eric, Thomas Laubach, and David Reifschneider (2015), "[The macroeconomic effects of the Federal Reserve's unconventional monetary policies](#)", Federal Reserve Board of Governors, Finance and Economics Discussion Series, 2015-005

Friedman, Benjamin (2015), "[Has the financial crisis permanently changed the practice of monetary policy? Has it changed the theory of monetary policy?](#)", NBER Working Paper No. 20128

Gagnon, Joseph, Matthew Raskin, Julie Remache, and Brian Sack (2011), "[The financial market effects of the Federal Reserve's large-scale asset purchases](#)", *International Journal of Central Banking* 7(1), 3-43

*IMF (2013a), "[Unconventional monetary policies – recent experience and prospects](#)", April 18

IMF (2013b), "[Unconventional monetary policies – recent experience and prospects – background paper](#)", April 18

Rogoff, Kenneth (2014), "[Costs and benefits of phasing out paper currency](#)", NBER Macroeconomics Annual

Sargent, Thomas and Neil Wallace (1981), "[Some unpleasant monetarist arithmetic](#)", Federal Reserve Bank of Minneapolis, *Quarterly Review* Fall 1981, 1-18

Vinals, Jose, Simon Gray, and Kelly Eckhold (2016), "[The broader view: The positive effects of negative nominal interest rates](#)", iMFdirect, April 10

Wallace, Neil (1981), "[A Modigliani-Miller theorem for open-market operations](#)", *American Economic Review* 71(3), 267-274

*Woodford, Michael (2013), "[Forward guidance by inflation-targeting central banks](#)", Sveriges Riksbank, *Economic Review* 2013(3), 81-120

Lecture 13: Rethinking Central Banking

Central Bank Tools and Objectives

Bayoumi, Tamim, Giovanni Dell'Ariccia, Karl Habermeier, Tommaso Mancini-Griffoli, and Fabian Valencia (2014), "[Monetary policy in the new normal](#)", IMF Staff Discussion Note 14/3

*Blanchard, Olivier, Giovanni Dell'Ariccia, and Paolo Mauro (2012), "[Rethinking macroeconomic policy](#)", *Journal of Money, Credit, and Banking* 42(S1), 199-215

*Blanchard, Olivier, Giovanni Dell'Ariccia, and Paolo Mauro (2013), "[Rethinking macro policy II: Getting granular](#)", IMF Staff Discussion Note 13/3

Federal Open Markets Committee (2012), "[Statement on longer-run goals and monetary policy strategy](#)", Federal Reserve Board of Governors, January 24

Georgsson, Magnus, Anders Vredin, and Per Åsberg Sommar (2015), "[The modern central bank's mandate and the discussion following the financial crisis](#)", Sveriges Riksbank Economic Review 2015:1

HM Treasury (2013), "[Review of the monetary policy framework](#)", Cm 8588, March 2013

Krugman, Paul (2014), "[Inflation targets reconsidered](#)", paper for ECB Sintra conference, May 2014

Kryvtsov, Oleksiy and Rhys Mendes (2015), “[The optimal level of the inflation target: A selective review of the literature and outstanding issues](#)”, Discussion Paper 2015-8, Bank of Canada

Svensson, Lars E.O. (1999), “[Price-level targeting versus inflation targeting: A free lunch?](#)”, *Journal of Money, Credit, and Banking* 31(3), 277-295

Tabellini, Guido (2014), “[Inflation targets reconsidered: comments on Paul Krugman](#)”, IGIER – Bocconi Working Paper Series 525

The Long-Run and Natural Rates of Interest

Laubach, Thomas and John Williams (2015), “[Measuring the natural rate of interest redux](#)”, Working Paper 2015-16, Federal Reserve Bank of San Francisco

*Rachel, Lukasz and Thomas Smith (2015), “[Secular drivers of the global real interest rate](#)”, Staff Working Paper No. 571, Bank of England

Central Bank Communication

Bernanke, Ben (2013), “[Communication and monetary policy](#)”, Federal Reserve Board, speech, November 19

Dincer, Nergiz and Barry Eichengreen (2014), “[Central bank transparency and independence: Updates and new measures](#)”, *International Journal of Central Banking* 10(1), 189-253

Eichengreen, Barry and Petra Geraats (2015), “[The Bank of England fails its transparency test](#)”, voxEU.org, January 6

Goodhart, Charles (2015), “[The UK MPC process in the light of the Warsh Review](#)”, voxEU.org, March 2

Levin, Andrew (2014), “[The design and communication of systematic monetary policy strategies](#)”, *Journal of Economic Dynamics and Control* 49, 52-69

Svensson, Lars E.O. (2014), “[Forward guidance](#)”, Stockholm School of Economics, manuscript

Warsh, Kevin (2014), “[Transparency and the Bank of England’s monetary policy committee](#)”, Bank of England

Wyplosz, Charles (2015), “[ECB minutes: What they really tell us](#)”, voxEU.org, March 2

Central Bank Profits, Independence, and Accountability

Buiter, Willem (2008), “[Can central banks go broke?](#)”, CEPR Policy Insight 24

Carpenter, Seth, Jane Ihrig, Elizabeth Klee, Daniel Quinn, and Alexander Boote (2013), “[The Federal reserve’s balance sheet and earnings: A primer and projections](#)”, Federal Reserve Board, Finance and Economics Discussion Series, 2013-01

Powell, Jerome (2015), “[Audit the Fed’ and other proposals](#)”, Federal Reserve Board, speech, February 9

Stella, Peter (1997), "[Do central banks need capital?](#)", IMF Working Paper 97/83

Turner, Philip (2014), "[The exit from non-conventional monetary policy: What challenges?](#)", BIS Working Papers 448

Monetary Policy and Financial Stability

Benes, Jaromir and Michael Kumhof (2012), "[The Chicago Plan revisited](#)", IMF Working Paper 12/202

Forbes, Kristin (2015), "[Low interest rates: King Midas' golden touch](#)", Bank of England, speech, 24 February

*Rajan, Raghuram (2006), "[Has financial development made the world riskier?](#)", *European Financial Management* 12(4), 499-533

*Smets, Frank (2013), "[Financial stability and monetary policy: How closely interlinked?](#)", Sveriges Riksbank, *Economic Review* 2013(3), 121-160

*Stein, Jeremy (2013), "[Overheating in credit markets: Origins, measurement, and policy responses](#)", Federal Reserve Board of Governors, speech, February 7

Svensson, Lars E.O. (2013), "[Some lessons from six years of practical inflation targeting](#)", Sveriges Riksbank, *Economic Review* 2013(3), 29-80

General Reading

*Bank of England (2015), "[One Bank Research Agenda](#)", Discussion Paper