

Institut für Volkswirtschaftslehre
- Geld, Währung und Internationale Finanzmärkte –
Prof. Dr. Thomas Lux

BA-Seminar in Monetary Economics

The seminar will cover a range of topics in monetary theory and monetary policy. The seminar will run as a 4-6 (half) day course during the winter term 2020/2021. Students register via the central seminar registration group on OLAT ("Seminar Registration BA-VWL").

The submission deadline for the seminar paper is January 4th, 2021. A kick-off meeting will be held online at 10 a.m. on July 29th, 2020 to fix dates for the seminar presentations. Students should contact Matthias Raddant (raddant@economics.uni-kiel.de) to receive access information on how to join the online kick-off meeting.

Students are required to write a seminar paper (15 pages) and to present this paper, consisting of a 30 minutes oral presentation on their chosen topic and 5 minutes discussion of another topic, which will be randomly assigned. Successful participation is rewarded with 5 ECTS.

1. The Problem of Establishing Credibility of Central Banks: Optimal Contracts for Central Bankers

Persson, T. and G. Tabellini, Designing Institutions for Monetary Stability. *Carnegie-Rochester Conference Series on Public Policy*, 1993, 53-84

Walsh, C., Optimal Contracts for Central Bankers. *American Economic Review*, 1995, 150-167

2. The Problem of Establishing Credibility of Central Banks: Appointment of a Conservative Central Banker

Rogoff, K., The Optimal Degree of Commitment to an Intermediate Monetary Target. *Quarterly Journal of Economics* 100, 1985, 1169-1189

Cukierman, A. and F. Lippi, Central Bank Independence, Centralization of Wage Bargaining, Inflation and Unemployment: Theory and some Evidence. *European Economic Review* 43, 1999, 1395-1434

3. Central Bank Independence and the Performance of Monetary Policy

Cukierman, A., S. Webb and B. Neyapti, Measuring the Independence of Central Banks and its Effects on Policy Outcomes. *World Bank Economic Review* 4, 1992, 353-398

Arnone, M. et al., Central Bank Autonomy: Lessons from Global Trends. *IMF Staff Papers* 56, 2009, 263-296

4. Rules vs. Discretion: A Misleading Debate?

McCallum, B., Crucial Issues Concerning Central Bank Independence. *Journal of Monetary Economics* 39, 1997, 99-112

Palley, T., Central Bank Independence: A Rigged Debate Based on False Politics and Economics. *FMM Working Paper No. 49*, Hans-Böckler Stiftung, 2019

5. Monetary Policy as Group Decision: The Working of Monetary Policy Committees

Chappell, H., R. McGregor and T. Vermilyea, Power-Sharing in Monetary Policy Committees: Evidence from the United Kingdom and Sweden. *Journal of Money, Credit and Banking* 46, 2014, 665-692

Hayo, B. and P.-G. Méon, Behind Closed Doors: Revealing the ECB's Decision Rule. *Journal of International Money and Finance* 37, 2013, 135-160

6. Endogeneity of Money: Evidence and Implications

Deleidi, M. and E. Levrero, The Money Creation Process: A Theoretical and Empirical Analysis for the United States, *Metroeconomica* 70, 2019, 552-586

Jakab, Z. and M. Kumhof, Banks are not Intermediaries of Loanable Funds – Facts, Theory and Evidence. *Bank of England, Staff Working Paper No. 761*, 2019

7. The Market for Structural Finance, and the Great Financial Crisis

Coval, J., J. Jurek and E. Stafford, The Economic of Structured Finance. *Journal of Economic Perspectives* 23, 2009, 3-25

Rajan, U., A. Seru and V. Vig, The Failure of Models that predict Failure: Distance, incentives, and defaults. *Journal of Financial Economics* 115, 2015, 237-260

8. From Credit Derivatives and the Subprime Market to the Worldwide Financial Crisis

Brunnermeier, M., Deciphering the Liquidity and Credit Crunch 2007-2008. *Journal of Economic Perspectives* 23, 2009, 77-100

Shin, H., Securitisation and Financial Stability. *Economic Journal* 119, 2009, 304-332

9. How Did Quantitative Easing Work? Recent Econometric Evidence

Pegoraro, S. and M. Montagna, The Transmission of Quantitative Easing to Corporate Bond Prices and Issuance. *Working Paper*, University of Chicago, 2019

Toloui, R., How Did Quantitative Easing Really Work? *Stanford Institute for Economic Policy Research Working Paper No. 19-032*, 2019

10. The Discussion on the Dangers of TARGET Balances

Hellwig, M., Target-Falle oder Empörungsfalle?: Zur deutschen Diskussion über die Europäische Währungsunion, *Perspektiven der Wirtschaftspolitik* 19, 2018, 345-352

Sinn, H.-W., Der Streit um die Targetsalden: Kommentar zu Martin Hellwigs Artikel "Target-Falle oder Empörungsfalle?". *Perspektiven der Wirtschaftspolitik* 20, 2019, 170-217

And related literature

11. Socio-Economic Responses to the COVID Health Crisis

Eichenbaum, M., S. Rebelo and M. Trabandt, The Macroeconomics of Epidemics. *Working Paper*, Northwestern University, 2020

Block, P. et al., Social Network-Based Distancing Strategies to Flatten the COVID-19 Curve in a Post-Lockdown World, *Nature Human Behavior* 4, 2020, 588-596

Eksin, C., K. Paarporn and J. Weitz, Systematic Biases in Disease Forecasting – The Role of Behavior Change, *Epidemics* 27, 2019, 96-105