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Nota di contenuto	Table of Contents; I. Introduction; Figure 1: Interest Rates and Central Bank Balance Sheets, 2008-09; II. Rationale for Unconventional Monetary Policy; III. Scope for Unconventional Operations; A. Theoretical Benchmark: Skepticism about Effectiveness; B. Two General Objections to the Skeptics' View; IV. Specific Policy Options; A. Announcement to Keep Short-Term Rates Low for an Extended Period; B. Fixed-rate Refinancing Operations with Extended Maturity; C. Asset Purchases; Qualitative easing; Quantitative easing; Box 1: Do Explicit Asset Price Targets Provide a Foolproof Solution? V. Risks and Mitigation StrategiesA. Uncertainty About the Right Dosage, Timing, and Exit; B. Financial Risks; C. Political Risks; D. Appropriate Risk Mitigation; VI. Unconventional Monetary Policy in the United Kingdom; VII. Gauging the Effectiveness of Unconventional Policies; A. Methodological Issues; B. Tentative Evidence; VIII. Comparison with Other Advanced Country Central Banks; A. Type of Unconventional Operations; Communication about future policy rates; Longer-term fixed-rate refinancing operations; Asset purchases; B.

Sommario/riassunto

The Bank of England's current "quantitative easing" strategy has given rise to a controversial debate about the effects and risks of unconventional monetary policy. The present paper makes two contributions to this debate. First, it provides a systematic overview of unconventional policy options, drawing from existing theoretical and empirical studies. Against this backdrop, it then analyzes the BoE's specific policies, discussing their effectiveness so far and putting them into a cross-country context. Tentative evidence on the BoE's quantitative easing is moderately encouraging, although the strategy is neither guaranteed to succeed nor as perilous as some of its detractors claim.
