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Nota di contenuto	Issues in Monetary Policy; Contents; List of Contributors; 1 Issues in Monetary Policy; 1.1 Introduction; 1.2 The monetarist counter-revolution; 1.3 Practice ahead of theory; 1.4 The dangers of practice without theory; References; 2 Monetary Policy: Practice Ahead of Theory; 2.1 Introduction; 2.2 What can monetary policy do?; 2.3 Learning and its implication for monetary policy; 2.4 Inflation targeting as a framework which accommodates learning; 2.5 Conclusion; References; 3 Are the Structure and Responsibilities of the Bank of England Optimal and If Not, Does It Matter?; 3.1 Introduction 3.2 Current arrangements3.3 The conventional theoretical macro model (CTMM); 3.3.1 Role of interest rates in the CTMM; 3.3.2 Time series considerations; 3.4 How the Bank's main macro model constrained the monetary debate; 3.5 The new Bank of England quarterly model; 3.6 The monetarist case for a big central bank; 3.7 Lessons from Britain's monetary history; 3.8 Main conclusions; References; 4 Why Price-Level Targeting is better than Inflation Targeting; 4.1 Introduction; 4.2 How do inflation targeting and price-level targeting differ?; 4.2.1 Long-term

price stability

4.2.2 Short-term inflation volatility; 4.2.3 Output volatility; 4.3 What is there to gain from long-term price stability?; 4.4 Inflation volatility is not same thing as inflation uncertainty; 4.5 Price-level targeting generates its own credibility; 4.6 Price-level targeting is self-regulating; 4.7 Price-level targeting offers escape from a low-employment equilibrium; 4.8 The 'costs' of price-level targeting have corresponding benefits; 4.9 Price-level targeting vs. average inflation targeting; 4.10 The history of price-level targeting; 4.11 Conclusion; References

5 A Price Targeting Regime Compared to a Non Price Targeting Regime.

Is Price Stability a Good Idea? 5.1 Introduction; 5.2 The ultimate objective of economic policy; 5.3 Modeling economic shocks; 5.3.1 Assumptions of the model; 5.4 The model; 5.5 Determining Equilibrium; 5.6 A money demand shock; 5.7 Aggregate demand shock; 5.8 An aggregate supply shock; 5.9 The search for an indicator; 5.10 Conclusions; References; 6 Optimal Monetary Policy with Endogenous Contracts: Is there a Case for Price-Level Targeting and Money Supply Control?; 6.1 Introduction

6.2 Considerations in designing monetary policy arrangements; 6.3 Monetary policy: Is inflation targeting the best we can do?; 6.4 Interest rate control - what does it do?; 6.5 Money supply targeting and feedback rules - a stochastic simulation analysis; 6.5.1 Comparing money- and price-level targeting; 6.5.2 Should we use interest rates rather than the money supply as the short-term instrument of control?; 6.5.3 How important is the zero bound in setting the inflation target rate?; 6.6 Conclusions; Annex: The representative agent model (RAM); References

7 Forecasting Inflation: The Inflation 'Fan Charts'

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## Sommario/riassunto

Since the Bank of England was made independent in 1997, the conduct of monetary policy has been relatively uncontroversial. The debates between Keynesians, monetarists and supporters of fixed exchange rate mechanisms now appear very distant. Despite the apparent consensus there are many issues related to the conduct of monetary policy that are not yet settled and which will soon come to the fore. Is the current form of independence for the Bank of England appropriate? Should a central bank target inflation or the prices level? How does a central bank deal with asset price deflation? Should m

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