

1. Record Nr.	UNINA9910956118003321
Autore	Goodfriend Marvin
Titolo	A Framework for Independent Monetary Policy in China / / Marvin Goodfriend, Eswar Prasad
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2006
ISBN	9786613826350 9781462359899 1462359892 9781452713823 1452713820 9781283513906 1283513900 9781451909050 1451909055
Edizione	[1st ed.]
Descrizione fisica	1 online resource (52 p.)
Collana	IMF Working Papers
Altri autori (Persone)	PrasadEswar
Soggetti	Monetary policy - China Banking Banks and Banking Banks and banking Banks Commercial banks Deflation Depository Institutions Inflation targeting Inflation Macroeconomics Micro Finance Institutions Monetary economics Monetary policy frameworks Monetary Policy Monetary policy Money and Monetary Policy Mortgages Price Level Prices China Economic conditions China, People's Republic of

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"May 2006."
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	""Contents""; ""I. INTRODUCTION AND OVERVIEW""; ""II. LOW INFLATION OBJECTIVE AS NOMINAL ANCHOR""; ""III. PRINCIPLES OF MONETARY POLICY GEARED TOWARD TARGETING INFLATION""; ""IV. INSTITUTIONAL SUPPORT FOR INDEPENDENT MONETARY POLICY""; ""V. MONETARY AND BANKING INSTITUTIONS IN CHINA""; ""VI. INDEPENDENT MONETARY POLICY FOR CHINA""; ""VII. CONCLUDING REMARKS""; ""REFERENCES""
Sommario/riassunto	<p>As China's economy becomes more market based and continues its rapid integration into the global economy, having an independent and effective monetary policy regime oriented to domestic objectives will become increasingly important. Employing modern principles of monetary policy in light of the current state of China's financial institutions, we motivate and present a package of proposals to guide the operation of a new monetary policy regime. Specifically, we recommend an explicit low long-run inflation objective, operational independence for the People's Bank of China (PBC) with formal strategic guidance from the government, and a minimal set of financial sector reforms (to make the Chinese banking system robust against interest rate fluctuations). We argue that anchoring monetary policy with an explicit inflation objective would be the most reliable way for the PBC to tie down inflation expectations, and thereby enable monetary policy to make the best contribution to macroeconomic and financial stability, as well as economic growth. The management and monitoring of money (and credit) growth by the PBC would continue to play a useful role in the stabilization of inflation, but a money target would not constitute a good stand-alone nominal anchor.</p>