

Index

- Abe, Shinzo, 119
Abenomics, 119, 141
accountability, 57, 203–204
answerability, 201
Argentina, 197
asset prices, 156
 inflation, 212
asset purchases, 97, 136–137, 145
asset purchasing programmes, 154

balance sheet operations, 65, 122, 141,
 144, 212
balance-of-payment theory, 53
Bank Deutscher Länder, 66
Bank of England (BoE), 3, 6, 67, 111
Bank of Japan (BoJ), 115
bank run, 92
Banque de France, 3, 67
benevolent dictator, 66
Bernanke, Ben, 127
board of governors meeting minutes, 205
Bretton Woods System (BWS), 10, 26, 79
budget deficits, 28

Cambridge-equation, 169
Camdessus, Michel, 12
Chicago School, 44
climate change, 179, 183
commitment mechanisms, 62
competitive devaluations, 81
conservative central banker, 55
consumer price index (CPI), 21
contagion, 107
contingency plan, 77
contracts for central bankers, 62
contracts with central bankers, 55
convertibility, 7, 59
corporate bond yields, 140
countries in transition, 27
covered bonds markets, 105
COVID-19, 65, 154, 180, 190

credibility, 42, 48, 63, 76, 85, 126
credit easing, 120
currency board system, 55
current account (CA), 47

debt monetisation, 57
de-facto CBI, 56
deflation, 121
de-jure CBI, 56
democratic control, 199
democratic deficit, 196
demographic transition, 164
demographic trends, 156
depreciation of currency, 142
digitalisation, 179
discretion, 49
Draghi, Mario, 108–109, 188

Economic and Monetary Union (EMU), 80
economic growth, 118
economic sclerosis, 172, 178
emerging economies, 179
empirical evidence, 63
employment, 47
enforcement mechanism, 64
Eurocrisis, 82, 187
European Central Bank (ECB), 80, 99, 103, 185
European Economic Community (EEC), 79
European Exchange Rate Mechanism II, 80
European Monetary System (EMS), 79, 186
European System of Central Banks
 (ESCB), 80
European System of Financial Supervision
 (ESFS), 189
European Treaty, 82, 189
event studies, 129
ex-ante control, 201
expectations, 42, 59, 76, 128, 131, 193
 adaptive, 49
 naïve, 49
 rational, 50

244 INDEX

- explicit dual mandate, 111
external obligations, 59
- Fannie Mae, 89
Fed, 88, 93
Federal Reserve, 87
Federal Reserve Board, 4
fiscal backing, 146
fiscal stimuli, 154
fiscal support, 146
foreign direct investment (FDI), 34, 181
foreign exchange intervention, 122
forward guidance, 109, 126
Freddie Mac, 89
free-banking, 46
Freiburg School of Law and Economics,
 44, 83
- game theory, 66
German Bundesbank, 22, 66, 78, 185
German Constitutional Court of Justice
 (BVG), 190
German Reichsbank, 66
global financial crisis (GFC), 4, 87
global value chains (GVCs), 179
goal independence, 142
gold standard, 9, 13, 28
government debt, 6, 155
Great Depression, 9, 26, 90
Great Khan, 5–6
Great Moderation, 73, 210
Great Recession, 160, 180, 187, 197
Great War, 9, 23
Greece, 99
Greenspan, Alan, 75
gross domestic product (GDP), 31
- house prices, 87
housing market in the United States, 211
hyperinflation, 27–28, 32
- impossibility trinity, 56, 59
inflation, 15, 20–21, 48, 84, 142, 155,
 167, 208
 distributive effect, 34
 and growth, 36
 target, 15, 55, 85, 111, 143
information and communications
 technology, 125
informational content of prices, 33
- institutions, 13, 14
instrument independence, 143, 209
interest rate, 120, 154, 192
 management, 123
international capital movements, 116
international spillover effects, 142
IS-LM framework, 124
- Japan, 171
 lost decade, 123
J-curve, 172
- k-rule, 54
Kuroda, Haruhiko, 119
- Latin America, 169, 210
Lehman Brothers, 88, 90–91, 101, 104, 129
lender of last resort (LLR), 3, 8, 154, 189
liberal market economy, 168
lifelong learning, 178
liquidity risk premia, 139
liquidity trap, 124
- Maastricht Treaty, 80
mandate, 214
Marshall–Lerner condition, 53
Modern Monetary Theory (MMT), 161,
 165, 176
monetarist consensus, 158
monetary expansion, 128
Monetary Policy Committee, 114
monetary reforms, 67
monetary rules, 54
money supply, 29
moral hazard, 142
- New Economy, 210
New Green Deal, 162
New Institutional Economics, 44
nominal anchor, 13–14, 55
non-governmental organisation (NGO), 68
non-tradables, 26
Northern Rock, 112
- objective function, 47
objective of monetary policy, 58
off-balance-sheet vehicles, 99
Oliveira–Tanzi effect, 33
Olsonian perspective, 211
Olsonian setting, 156, 177

- Operation Goldfinger, 68, 184
- Operation Twist, 96
- opportunistic behaviour, 142
- Outright Monetary Transactions (OMT), 108, 188
- Phillips curve, 32, 47
- policy rule, 16, 38, 77
- political business cycles, 32
- political economy of central bank
 - independence, 65
- popular mandate, 201
- populist politicians, 178
- price controls, 162, 168
- price stability, 4
- principal-agent problem (PAP), 40, 204
 - ex-ante* PAP, 41
 - ex-post* PAP, 41
- protection, 170
- Public Choice, 199
- public debt, 32
- Public Sector Purchase Programme (PSPP), 136, 188
- purchasing power, 11
- quantitative easing (QE), 94–95, 109, 125
- quantity of money, 22
- relative price shocks, 168
- rent-seeking process, 174
- reputation, 41, 76
- rescue packages, 153
- research and development (R&D), 174
- reserve accumulation, 123
- Reserve Bank Act, 1989, 84
- Reserve Bank of New Zealand, 66
- rising inequality, 164
- risk premia, 30
- Roman Empire, 23
- rules versus discretion, 15
- savings, 34
 - glut, 164, 181–182
- secular stagnation, 164–165, 176
- securities, 105
- seigniorage, 5, 23, 28, 31, 47, 53, 59, 145
- Seven Years War, 23
- skewed distribution, 175
- snake, 79
- social consensus, 35
- social problems, 179
- South Africa, 83
- South African Reserve Bank (SARB), 83
- sovereign bond
 - spreads, 100, 107, 138
 - yields, 138
- sovereign debt default, 106
- Stability and Growth Pact (SGP), 81, 186
- stability culture, 186, 202
- stagflation, 87, 176
- Stals, Chris, 84
- state-owned enterprises (SOEs), 30, 174
- statute reading, 61
- stochastic shocks, 52
- structural change, 178
- structural reforms, 165
- subsidies, 87, 170
- supply-side, 165
- Sveriges Riksbank, 3
- systemic collapse, 90
- Taylor's rule, 98
- time inconsistency, 42, 46, 48, 50, 80, 209
- time-series analysis, 129
- Tinbergen rule, 22, 39, 73, 159, 200, 203, 208
- trade liberalisation, 160
- transparency, 57, 203, 205
- Treaty of Maastricht, 67
- trigger mechanism, 51
- Turkey, 197
- turnover rate, 60
- type of central banker, 51
 - dove, 51
 - falcon, 51
- Ukraine, 180, 191
- unconventional policies, 137
- unelected power, 200
- unemployment, 96
- US-productivity decline, 165
- vector autoregression model (VAR), 132
- velocity of money, 31
- Virginia Public Choice School, 44
- Volcker, Paul, 74
- Waigel, Theo, 67
- welfare state, 30

246 INDEX

- Werner-Plan, 79
'whatever it takes', 108
World War II, 9, 26
X-inefficiency, 29
yield curve, 139
- Zeitenwende*, 192
zero interest rate policy, 118, 124
zero lower bound (ZLB), 91, 94, 123, 163,
 166, 182
zombie economy, 171
zombie firms, 153
zombification, 128