

Universidad de los Andes
Facultad de Economía
Escuela Internacional de Verano 2006
Advances in Monetary Policy and Monetary Unions

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Fechas: Junio 15 al 30.

Nota: La fecha límite para retirarse del curso será el viernes 30 de junio. Si el examen final se programa para ese día, el retiro deberá hacerse a más tardar el 29 de junio.

Pendiente: sistema de evaluación

The seminar aims at presenting recent developments on monetary economics and monetary policy. In particular, it focuses on the issue of monetary unions, which is a major trend in the world economy.

The interplay between monetary flows and the real economy has changed dramatically in the recent years, because of the development of financial flows and markets, globalization and institutional changes in the public management of money. We shall try to survey these changes and present the development of economic reasoning and tools with which economists currently assess these changes.

Program

1. The foundations of monetary economics (1): Money in the overlapping generations model
2. The foundations of monetary economics (2): Cash in advance constraints.
3. The foundations of monetary economics (3): The search theory of money.
4. Rigidities and monetary policy: new developments.
5. Transmission channels of monetary policy.
6. A canonical model for monetary policy.
7. Time inconsistency and credibility
8. The timeless perspective on time inconsistency
9. Institutions for monetary policy: independence, delegation.
10. Monetary policy, information and communication.
11. Central bank transparency
12. The New Keynesian Phillips curve
13. The Taylor rule and beyond
14. The inflation targeting debate
15. Monetary unions: stylized facts.
16. Commitment and the establishment of a monetary union
17. Transmission channels in monetary unions
18. The policy mix in a monetary union: a game-theoretic perspective.

19. Bail-outs in a monetary union and the need for fiscal discipline.

Bibliography :

Carl Walsh, Monetary Theory and Policy, MIT Press, Second Edition

Lars Ljungqvist and Thomas Sargent, Recursive Macroeconomic Theory, MIT Press.

Joseph Stiglitz and B. Greenwald, Towards a new paradigm for monetary economics, Cambridge UP, 2004.

Michael. Woodford, Interest and prices, Princeton UP, 2004.