

Goethe Money and Macro Association e.V. – Tätigkeitsbericht 2017

Die GMMA-Mitglieder wurden zur IMFS Conference on Monetary and Financial Stability 2017, die am 5./6. April 2017 in Frankfurt stattfand, eingeladen.

Dies ist eine erstklassige Gelegenheit für die Mitglieder der GMMA, ihr Netzwerk untereinander zu pflegen und neue Kontakte zu knüpfen, da diese internationale Konferenz mit vielen renommierten Rednern nur auf persönliche Einladung besucht werden kann. Den ausführlichen Bericht über diese Konferenz fügen wir hier bei.

Dieses Jahr hat GMMA dank des neuen Netzwerks, das von Prof. Dr. Beck ins Leben gerufen wurde, wieder Fördermittel von Allianz SE, Deka und Union Investment erhalten.

Dank der Spendengelder konnte sich die GMMA an den Organisationskosten der „ECB and Its Watchers“-Konferenz beteiligen.

Eine weitere Reihe der Roundtable Discussions zu den Themen „Aktuelle Entwicklungen in den Geld- und Finanzmärkten“ fand ebenfalls statt:

- am 5. April mit Deputy Governor H. Nakaso
- am 19. September mit Prof. Volker Wieland

Wie in der letzten Mitgliederversammlung der GMMA beschlossen, wurde die GMMA-Satzung geändert. Die Satzungs- und Vorstandsänderung wurde ordnungsgemäß im Vereinsregister eingetragen und dem Finanzamt gemeldet.

Am 23. Oktober 2017 hat das Finanzamt Frankfurt der GMMA die Einhaltung der satzungsmäßigen Voraussetzungen nach den §§ 51, 59, 60 und 61 Abgabenordnung bestätigt. Die geänderte Satzung ist beigefügt.

Frankfurt, 10. 01.2018


Prof. Volker Wieland


B. Rohe-Morgan

I. Conferences

06.04.

The ECB and Its Watchers XVIII

The statement that the monetary policy stance of the European Central Bank was still appropriate was the key message **Mario Draghi**, President of the ECB, delivered at the eighteenth edition of the conference series "The ECB and Its Watchers".



Conference venue: Goethe University lecture hall building; ECB President Mario Draghi; participants in the main lecture hall; Volker Wieland giving an interview to CNBC reporter Annette Weisbach (clockwise)

At the event, which took place at the lecture hall building of Goethe University, the ECB President reaffirmed that the central bank would not need to deviate from its asset-buying program until at least the end of the year.



Peter Praet, member of the Executive Board of the ECB, also underlined the status quo. "In our expectation, the policy interest rate will remain at present or lower levels for an extended period of time and well past the horizon of our net asset purchases." The ECB's chief economist reiterated the importance of sticking to the current policy plan to avoid the risk of reversing the success of its measures. Raising the deposit rate too early would render its other policies less effective, Praet said.

John B. Taylor, on the other hand, remained critical of the ECB's bond-buying program. "It's time to speak about the end of the program," the economist of Hoover Institution at Stanford University said. In view of the Federal Reserve's monetary policy, Taylor, who developed the Taylor rule, illustrated how a more rule-oriented monetary policy could even strengthen the independence of a central bank. Currently, there is a debate in the United States whether the Fed should introduce more transparency, explaining its monetary policy with regard to rules.



In the discussion on the assessment of the expanded asset purchase programme **Jan Hatzius**, chief economist of Goldman Sachs, made the point that the impact of quantitative easing was very hard to determine. However, he was confident that the ECB should stick to its monetary strategy. "Stay on the course but the job is not yet done," this is what the ECB could learn from the Fed according to Hatzius.



Regarding macroeconomic adjustment in the euro area and the role of monetary and fiscal policy, **Christoph Schmidt** of the German Council of Economic Experts pointed out that it was time for the governments to reduce legacy debt and to restart the structural reform process. Meanwhile,

the ECB should start tapering. **Vitor Gaspar**, Director of Fiscal Affairs of the International Monetary Fund (IMF), stressed the importance of having a well-functioning financial system in the euro area and illustrated the complex interplay between reforms and fiscal policy. **Marco Butti**, Director-General for Economic and Financial Affairs at the European Commission, warned against too many governments relying too much on the expansionary monetary policy.



Concerning the international challenges for monetary policy, **Thomas Laubach** of the Federal Reserve as well as the Deputy Governor of the Bank of Japan, **Hiroshi Nakaso**, agreed on

the point that most central banks were primarily oriented towards domestic objectives. International collaboration still seemed to be an exception. Laubach, who is an advisor to Fed chair Janet Yellen and a former Professor at Goethe University, stressed the need to foster clear communication between central banks. As a lesson from recent experiences, Philip Lane, Governor of the Bank of Ireland,



emphasized the advantages of international coordination by sharing conjunctural assessment, thus gaining clarity about policy feedback rules.

How to deal with rules and uncertainty in monetary policy was one of the questions **John Williams**, President of the San Francisco Fed, and IMFS Professor **Volker Wieland** discussed in a debate moderated by the Financial Times journalist Sam Fleming. Williams appealed to include instruments of unconventional monetary policy as part of the regular toolkit in times of low inflation. He asked academics and researchers to rethink whether inflation targeting was the best way for central banks to achieve their objectives. Wieland pointed out that a setup with rules "could strengthen a central bank's decisions".



Program

April 6, 2017

8:55 – 9:00

Welcome

Günter W. Beck (CFS and IMFS)

9:00 – 9:30

President's Address (Speech)

Mario Draghi (President of the European Central Bank)

9:30 – 11:00

Debate 1: Assessment of the expanded asset purchase programme

Chair: **Natacha Valla** (European Investment Bank)

Speakers:

Peter Praet (Member of the Executive Board of the ECB)

John B. Taylor (Stanford University)

Jan Hatzius (Goldman Sachs)

Lead questions:

Frank Seitz (Stiftung Geld und Währung, OTH Amberg-Weiden)

Julian Callow (Element Capital)

Claudia Broyer (Allianz SE)

11:30 – 13:00

Debate 2: Macroeconomic adjustment in the euro area: the role of monetary policy, fiscal policy and structural reforms

Chair: **Michalis Haliassos** (Goethe University Frankfurt)

Speakers:

Vitor Gaspar (International Monetary Fund)

Christoph Schmidt (German Council of Economic Experts)

Marco Buti (European Commission)

Lead questions:

Sylvain Broyer (Natixis)

Stefan B. Schneider (Deutsche Bank)

13:00 – 14:00

Lunch

14:00 – 15:30

Debate 3: International challenges for monetary policy - a need for coordination?

Chair: **Hans-Helmut Kotz** (CFS)

Speakers:

Philip R. Lane (Central Bank of Ireland)

Thomas Laubach (Board of Governors of the Federal Reserve System)

Hiroshi Nakaso (Bank of Japan)

Lead questions:

Frank Engels (Union Investment)

Gerhard Illing (LMU Munich)

15:30 – 16:30

Moderated Debate: Do monetary policy frameworks need to be adjusted in a world of (potentially) low natural real interest rates? If so, how?

Moderator: **Sam Fleming** (Financial Times)

Participants:

John C. Williams (Federal Reserve Bank of San Francisco)

Volker Wieland (IMFS and German Council of Economic Experts)

16:30 – 16:40

Closing Remarks

Günter W. Beck (CFS and IMFS)

