

Workshop

Real analysis versus monetary analysis: Does it matter and what are its main implications for macroeconomic theory and policy?

March 14, 2018
Oesterreichische Nationalbank
Otto-Wagner-Platz 3, 1090 Vienna, Austria
Veranstaltungssaal, Ground Floor

Program

Motivation

“Most treatises on the principles of economics are concerned mainly, if not entirely, with a real-exchange economy; and – which is more peculiar- the same thing is also true of most treatises on the theory of money. (...) The theory which I desiderate would deal, in contradistinction to this, with an economy in which money plays a part of its own and affects motives and decisions and is, in short, one of the operative factors in the situation, so that the course of events cannot be predicted, either in the long period or in the short, without a knowledge of the behaviour of money between the first state and the last. And it is this which we ought to mean when we speak of a monetary economy. (...) Everyone would, of course agree that it is in a monetary economy in my sense of the term that we actually live.(...) . The idea that it is comparatively easy to adapt the hypothetical conclusions of a real wage economics to the real world of monetary economics is a mistake.” (John Maynard Keynes C.W. XIV, pp. 408-411)“

The aim of the workshop is to identify the main theoretical differences between “real-exchange economics” and “monetary economics”. In addition, it will show the implications of two different theoretical paradigms for macroeconomic theory and specific topics of macroeconomic policy.

For this purpose the workshop brings together economists who have challenged the mainstream “real-exchange analysis” with economists who adhere to the traditional view.

Wednesday, March 14, 2018

09:00 a.m. **Registration**

09:15 a.m. **Opening address:**
Ewald Nowotny
Governor, Oesterreichische Nationalbank

09:30 a.m. **Monetary analysis versus real analysis: What are the main differences?**
Peter Bofinger
University of Würzburg

Discussant: **Josef Falkinger**

10:30 a.m. Coffee Break

11:00 a.m. **The Quantity Theory of Credit and its policy implications, including for preventing crisis (bank regulation), ending crisis (QE and enhanced debt management) and development policy**
Richard Werner
University of Southampton

Discussant: **Charles Goodhart**

12:00 a.m. Lunch

01:00 p.m. **Procrustes in Monetary Economics: On the Relation between Monetary Policy and the "Real" Economy**
Martin Hellwig

Discussant: **Klaus Adam**

02:00 p.m. Coffee Break

02:30 p.m. **Implications for the fiscal policy**
Andrea Terzi
Franklin University Switzerland and Levy Economics Institute

Discussant: **C.C. von Weizsäcker**

03:30 p.m. Coffee Break

04:00 p.m. **Roundtable: Implications for further research and cooperation**
Moderator: **Martin Summer**, OeNB
Participants: **Adalbert Winkler**, **Fabian Lindner**, **Sergio Cesaratto**, **Jörg Bibow**, **Norbert Häring**

05:00 p.m. End of Conference

Venue:

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1090 Vienna

Veranstaltungssaal Ground Floor

Organization:

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