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 Southhampton  
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:

Oesterreichische Nationalbank
Otto-Wagner Platz 3
1090 Vienna

Veranstaltungssaal Ground Floor

Organization:

Oesterreichische Nationalbank
Economic Studies Division
in cooperation with:
Communications and Financial Literacy Division
Oesterreichische Nationalbank
POB 61
1011 Vienna

Conference secretariat
Phone:(+43-1) 404 20-6620
E-mail: event-management@oenb.at

Program Committee:

Peter Bofinger
Martin Summer
Ernest Gnan