Index

Abalkin, L 95
Abbassi, P 416
Abbott, K 335
Abdelal, R 105
Abuka, C 221
accountability
  central banks’ policies 520–23, 530, 531–2, 533
  European System of Central Banks (ESCB) 158, 159–60, 164, 171–4
  lender of last resort (LOLR) 546–7
  supervisory, and institutional path of central bank independence 299–300, 311–13
see also transparency
accounting 314–32
  assets 319–23, 326, 327
  balance sheet 317–24, 331
  bank notes as liabilities 318–19
  bank reserves 330
  brand/reputation as asset 323
  central bank currency swaps (CBCS) 330–31
  cost-based accounting 322
  credit risks and equity financing 324
  digital currency development 330
  equity 323–4, 330
  European System of Central Banks (ESCB) 160, 317, 322
  exchange rate movements and foreign currency reserves 320, 328
  expected loss approach to impairments 328
  expenses 326–7
  fair value accounting 322
  financial instruments and their valuation 321–2
  financial statements, reasons for 316–17
  foreign currency reserves 320–21
  future research 330–31
  gold reserves 319–20
  ‘helicopter money drop’ policy 331
  impairment issues 327–8
  income generation 325–6
  income recognition policy and profit distribution 328
  income statement 324–9
  incurred loss approach to impairments 327–8
  inflation and currency values 320
  intangibles 322–3
International Accounting Standards Board and IFRS accounting 316–17, 319, 320, 322, 328
  negative equity 321, 324, 330
  operating costs 325, 326–7
  profit recognition and distribution 328–9
  quantitative easing (QE) 330
  realised gains and losses on foreign exchange 320–21
  revaluation deficits 321
  securities holdings 321–2, 323, 326, 327
  seigniorage 326
  shareholder distribution and foreign exchange 321
  shareholder value issues and equity 323–4
  shareholders, financial ‘buffers’ and potential losses 329
  unrealised valuation gains 320
  valuation using current values 322
see also balance sheet policies
Acemoglu, D 366
Adam, C 3, 208–28
Adler, G 324
Africa, sub-Saharan see sub-Saharan Africa, monetary policy
Ahamed, L 16
Ahmed, S 432
Aikman, D 375
Ainslie, G 368
Aiyar, S 516
Aizenman, J 414
Akinci, O 516
Alesina, A 118, 155, 156, 300, 532
Alexander, K 4, 380–97, 489, 492, 493
Aliber, R 510
Alichi, A 223–4
Altavilla, C 412
Amtenbrink, F 156, 157, 158, 164, 171, 311, 312, 521, 522
Anand, A 450
Andenas, M 176, 312
Andrew, A 12
Andre, M 222, 223
Angelini, P 416
Angeloni, I 359, 515
Araujo, A 409
Archer, D 319, 324, 328
Arda, A 164
Argentina 276–85 passim, 287, 290, 293, 294, 477–8
Armas, A 287
Arner, D 449
Asch, S 369
Ashcraft, A 415
Ashwin, B 258, 259
Asian financial crisis 104–6, 109, 142
and road to G-20 see international diplomacy and coordination, Asian financial crisis and road to G-20
see also financial crises effects
Aslund, A 103
Asmussen, J 198
asset purchase programmes
accounting 319–23, 326, 327
EU currency union 187, 194–203
European System of Central Banks (ESCB) 402, 406–7, 426
international diplomacy and global financial crisis 358–9
Japan 402, 407–8, 426
and lending schemes 405–8, 409–13, 425–7
New Zealand 261
US, Federal Reserve System 402, 406, 426–7
Association of South East Asian Nations (ASEAN) 349
Athanassiou, P 163, 176
Australasia see Australia; New Zealand
Australia
bank notes as legal tender 247, 249–52
Banking Acts 254, 255, 267–8
Campbell Inquiry 256, 257
capital against off-balance sheet exposures as macro-prudential regulatory lever 390
central banking 250–58
command economy system 253–5
Commissioner of Taxation v Unit Trend Services 266
Commonwealth Bank Acts 250, 252, 253, 254, 255
Corporations Act 471–2
deregulation 255–8
devaluation (1931) 252–3
exchange rate management 256, 257, 259, 267–8
Financial Corporations Act 256
financial crises (1840s and 1890s) 248–9
fiscal and monetary policy separation 257
foreign exchange 247–8, 252–3
free banking system, early 246–50
gold standard 247, 251, 252, 253
government securities 253–4, 256
inflation control 255, 256–8
interest rate controls 256, 353, 354
market equilibrium for bank reserves 436
national comparisons, Australia, payment system risks 468–72
National Security Act 253, 254
non-bank financial intermediaries (NBFI) 255–6
NSW Current Account Depositors’ Act (1893) 249
NSW Monetary Confidence Bill 248
payment system regulation 468–72, 473
Payment Systems (Regulation) Act 470–71
private banks and colonial governments 247
Reconstruction and Development Board 268
reserve Bank Acts 255, 266–8, 468–9
Reserve Bank, market valuation approach to accounting 322
Statutory Reserve Deposit (SRD) mechanism 256
trading banks 247, 248–9, 253–4, 255, 261, 262
ultra vires doctrine 266
autonomy
currency and monetary control, Japan 54–5
institutional path of central bank independence 304, 307
systemic risk and financial sector structural reform 504–5

Baba, N 63, 414
Babis, V 175
Bade, R 300
Bagehot, W 37, 38, 40, 43, 178, 509, 536–7
Bailey, A 370
Baker, A 337
balance sheet policies
accounting 317–24, 331
unconventional monetary policies 400, 404–5, 409–13, 417, 425, 428–9, 437–8
see also accounting
Baldini, A 216, 224
Ball, L 372
Balls, E 334, 360
Baltensperger, E 257
Bangia, R 68, 69, 86
Bank for International Settlement (BIS) 131, 147, 241, 336, 337
Committee of Payment and Settlement Systems (CPSS), payment system risks 448, 450–52, 458
international diplomacy and coordination 339–41
bank notes
China 130, 145–6
Japan 57
as liabilities 318–19
Index 557

‘Mahatma Gandhi Series’, India 76–7
New Zealand 246–7, 249–50, 251, 258, 259
bank reserves policy 400–401, 402–4, 408, 421, 423, 434–6
Barker, J 330
Barkovskii, N 97
Barro, R 156, 373
Barry, C 532
Basel Committee on Banking Supervision 45, 71, 108, 144, 341
Basel II prudential supervision 110, 111, 114, 387
Basel III 225
Basel Revised Core Principles For Effective Banking Supervision 383
Batini, N 219
Bauer, M 409, 411
Baumeister, C 426
Baxter, L 505
Bayoumi, T 274
Bech, M 421
behavioural biases 366–9, 371–6
see also psychology of central banking
Beirne, J 416
Belgium 202–3
Bell, S 254, 256, 257
Benati, L 426
Benes, J 219, 220
Benhabib, J 61
Benston, G 488, 489, 491
Berg, A 3, 14, 208–28
Bergman, M 366
Bergsten, C 333, 334, 337, 347
Bernanke, B 16, 28, 29, 30, 59, 243, 310, 311, 334, 336, 355, 357, 365, 371, 418, 434, 437
Beukers, T 168
Bezanson, A 7
Bhala, R 2, 68–93
Bhattacharai, S 409, 418
Bholat, D 3, 314–32
Bilbiie, F 26
Billings, M 44
Bindseil, U 316, 324
Bini Smaghi, L 163, 198–9
bitcoins see under digital currencies
Blackstone, B 358
Blair, T 373
Blanchard, O 274, 291, 508, 509
Blinder, A 25, 26, 28, 64, 365, 375
blockchains, digital currencies 476–7, 481–2, 484–5
Blommestein, H 446
Blustein, P 351, 352
Bodenhorn, H 9
Bogdanova, B 429
Bolivia 275, 284, 285
Bordo, M 25, 342, 343, 345, 347, 357
Borio, C 4, 29, 331, 334, 337, 341, 398–444, 509
Bork, R 479
Born, B 523
Borodin, A 112
Boughton, J 350, 351, 352
Bowker, T 112
Bowman, D 408, 432
brand/reputation as asset 323
Brandi, T 169
Braun, R 63
Brazil 277, 279, 281–91 passim
Breeden, S 549
Bretton Woods system 43, 47, 131, 237, 240, 280, 282, 340
Broadbent, B 481
Brownbridge, M 385
Brunner, K 430, 518
Brunnermeier, M 430, 501
Bruno, V 429
Bryson, B 311
Buchheim, C 239
Buffie, E 223
Buiter, W 324, 514
Bulir, A 221
Butlin, S 246, 248, 249, 251, 253
Calomiris, C 374
Camdessus, M 350
Campbell, S 415, 419
Canada 426, 460–65
Balancing Oversight Discussion Paper 464–5
Hodge v The Queen 464
Canales, J 285
Capie, F 2, 34–52, 370
capital adequacy 70–72, 122, 143, 149–50, 225, 330, 490, 509
capital flow management measures (CFMs),
Latin America 289
capital market development, China 137–8
capital ratios 35–6, 44–5, 46, 49, 50
Carbo, L 277
Carrasco, C 277, 278
Carse, S 43
Carstens, A 285
Caruana, J 357, 449, 487
Castello-Branco, M 155
Cawrey, D 480
Cecchetti, S 67, 509
central bank currency swaps (CBCS),
accounting 330–31
Chadha, J 411
Chailloux, A 355
Chandler, A 16, 20
China accountability mechanisms 523
digital currencies 480
economic cycle and Latin America 293
economic development effects on Latin America 293
mobile banking 73
China, and evolutionary theory of central banking 128–54
Agricultural Bank of China 135
capital adequacy 122, 143, 149–50
capital market development 137–8
China Securities Regulatory Commission (CSRC) 143, 144, 145
‘command and control’ model 136–7
Commercial Paper Law 144
consumer price index (CPI) 141
debt securities market 138
financial crises effects and macro-prudential policies 131–2
financial sector reform foundation 137–8
financial system birth 134–5
futures trading 138
Great Qing Bank 132–3
Guangdong International Trust Investment Company bankruptcy 144
Industrial and Commercial Bank of China (ICBC) 135
inflation targeting 138–9, 142
insurance industry 135, 137
interest rate liberalization 141
lender of last resort 130, 132
modernization 145–50
non-bank financial institutions 137
note issue monopoly 130, 145–6
open market operations in treasuries market 141
People’s Bank of China (the PBOC) founded 133, 136
People’s Insurance Corporation of China (PICC) 135
pre-reform era 132–4
Provisional Banking Regulation (1986) 137
quantitative control of aggregate credit and money supply 136
reform era 134–50
Required Reserve Ratio (RRR) system 141, 146, 149, 512
shadow banking system 152–3
socialist commercial economy 135–9
State Administration of Foreign Exchange (SAFE) 135
‘state bank’ model 133
stock exchange, first 138
World Trade Organization (WTO) accession 145
China, and evolutionary theory of central banking, socialist market economy 139–50
Asian Financial Crisis 142
central banking reforms 140–44
Commercial Banking Law 143
deposit insurance scheme 149
exchange connect programs 150
exchange rate liberalization 146–7
exchange rate stabilization 142
failed financial institutions, resolving 144
financial stability and macro-prudential policy framework, strengthening 147–9
illegal financial activities 141–2
insurance industry and systemic risks 148–9
interest rate liberalization 146
international banks as stakeholders 148
international cooperation 149
joint stock banks 137–8, 143, 147, 148
macro-economic management 141–2
market-based financial sector 149–50
monetary and exchange rate policy modernization 145–50
monetary policy tools 140–41
open capital account 150
rural credit cooperatives sector 148
securities industry and systemic risks 148
supervisory framework reform 144, 152–3
treasury securities 145–6
China, People’s Bank of China 117–27
China Banking Regulatory Commission (CBRC) 121, 124
China Insurance Regulatory Commission (CIRC) 124
China Securities Regulatory Commission (CSRC) 123–4
collateral requirements 122, 123, 144
Coordination Meeting System 124
deposit insurance scheme 125–7
financial regulatory structure 123–5
financial stability instruments 120–23
financial stability oversight committee 124–5
global financial crisis effects 124
independence and accountability 118–20
Law of Administrative Procedure 119–20
lender of last resort 121–2
macro-prudential regulation 122–5
monetary policy 118, 119–20
principal-agent relationship with State Council 118–19
Renminbi (RMB) internationalization 117
Shanghai Free Trade Zone (FTZ) 117
transparency and accountability 120
Chinoy, S 80
Chow, J 496, 498
Christensen, J 411, 414
Christiano, L 63
Chugaev, S 97
Chung, H 426
Churm, R 193
Chwieroth, J 105
Clarida, R 62
Clemens, R 263
Clement, P 508
Clews, R 408
Cliffe, M 428
Clifford, A 16, 20, 22
Clouse, J 418
Cochrane, J 431
Coenen, G 63
Coeuré, B 169
Coghlan, T 246, 247, 249
Cohn, R 430
Coleman, W 251, 252
collateral policy
China 122, 123, 144
EU currency union 188–92
lender of last resort (LOLR) 548–9
transparency of central banks’ policies 531, 533
UK 389–90
unconventional monetary policies 402, 408, 409, 413
Collier, P 211, 225–6
Colombia 275–9 passim, 283–91 passim
‘command and control’ model, China 136–7
command economy system, Australasia 253–5, 261
commercial, socialist commercial economy, China, and evolutionary theory of central banking 135–9
commercial banks
China 143
and digital currencies 483
Russia 108–9, 110, 111
UK 39–40, 42, 49, 50
commercial discount policy (1920s), Germany 231–2
competition and digital currencies 477–81
Congo, T 50
constitutional framework, European System of Central Banks (ESCB) 158–64, 174
consumer price index (CPI)
China 141
Japan 60
Conti-Brown, P 1–33, 296, 395, 398, 504, 528
Cooper, J 13
Cooper, R 334, 339
Corbo, V 282
Cornish, S 255, 256, 257
Corrigan, E 446, 537
Corwe, C 532
cost-based accounting 322
Costa Rica 278, 279, 283, 284, 286, 287
covered bonds purchase programmes, EU 194–6, 201
Crawford, B 462
crawling pegs, Latin America 282, 286
credit policy
intermediation concerns, UK 381–2
unconventional monetary policies 401–2
US credit-easing (CE) policy 512
Credit Rating Agencies (CRAs) 115, 188, 189–90, 191, 195
credit risks 87, 324, 389, 438, 451
Crockett, A 508
Cross, K 368
Crow, J 449
Crowe, C 55
Cuba 279
Cukierman, A 155, 285, 300, 306, 308, 532
Cúrdia, V 58
currency boards (1970s), sub-Saharan Africa 210–11
currency swaps
central bank currency swaps (CBCS) 330–31
international diplomacy and coordination 357–8
currency unions
EU see EU currency union, ECB’s developing role
sub-Saharan Africa 217–18, 222
Cyprus 190, 191, 201, 483
Czech Republic 324
D’Amico, S 411
Darbyshire, R 3, 314–32
Davidoff, S 498
Dawe, S 269
De Carvalho Filho, E 209
De Haan, J 119, 157
De Larosière Report, EU 391–2
De Schutter, O 530
Deane, R 261
Debelle, G 370
Decker, F 3, 245–73
democratic legitimacy 308, 532–4
demonitization crisis, India 76–7
Denmark 422, 423, 424
deposit insurance
China 125–7, 149
and digital currencies 482
macro-prudential policy role 510–11
Russia 109, 110
US 536
deregulation
Australia 255–8
India 82–5
New Zealand 262–4
Russia 97, 103–4
UK 42–3
Desan, C 7
Destler, I 342, 343–4, 346, 348
Dhar, B 84
Diamond, P 366
Dierick, F 489
digital currencies 474–86
abuse concerns 483
and accounting 330
bitcoins 474–5, 476–7, 483
blockchains 476–7, 481–2, 484–5
commercial banking sector effects 483
competition and central banks 477–81
competition and central banks, benefits 477–8
competition and central banks, legal tender
laws 478–9
and deposit insurance 482
‘electronic cash’ on debit cards 475–6
emergence 475–7
and interest rates 482–3
issuance by central banks, consideration of 481–3
M-Pesa 476
money transfer market, saving potential 484–5
online fantasy games 476
Dincer, N 216, 524, 525
diplomacy and coordination see international
diplomacy and coordination
Disyatat, P 398, 400, 404, 421, 429, 434, 438
Domanski, D 408, 437, 489, 504
Dombalagian, O 496, 498
Dombret, A 449
Dominquez, K 345
Dominican Republic 279, 284, 287
‘domino effect’, payment system risks 451
Draghi, M 187, 194, 197, 206, 229, 437
Drake, P 275
Duca, J 415
Duisenberg, W 449
Duke, E 355, 357, 358
Dumitru, F 524, 525
Duncan, G 474
Duygan-Bump, B 415
Eccles, M 17–19, 20–21
Ecuador 275, 277, 278, 283, 284, 286, 287, 478
efficient markets hypothesis 151, 509, 520
Egbertsson, G 61, 409, 418
Eichengreen, B 16, 216, 334, 524, 525
Eijffinger, S 523, 524
Eisinger, J 498
El Salvador 276, 284
El-Erian, M 296, 433
Elderson, F 158
Elkin, W 255
Elliott, F 474
Endler, J 163
Engen, E 427
Epstein, R 479
EU
Bank Recovery and Resolution Directive
(BRRD) 392–3
De Larosière Report 391–2
Exchange Rate Mechanism (ERM) 47–8
Liikanen Report 494, 495
Outright Monetary Transaction program 244
Single Resolution Mechanism (SRM) 166,
391, 392–3
sovereign debt crisis 185, 197, 391, 405
systemic risk, subsidiarization and ring-
fencing 494–5
TACIS (Technical Aid to the
Commonwealth of Independent States)
program 99, 108, 109–10
universal banks 488–9
see also individual countries
EU Court of Justice
Gauweiler v Deutscher Bundestag 167–9, 177,
199–201, 298
OLAF 158, 159, 174, 176, 298, 304
Peter Paul v Bundesrepublik Deutschland 312
Pringle v Government of Ireland 167, 199,
201
UK v Parliament and Council 166
EU currency union, ECB’s developing role
184–207
asset purchase programmes 187, 194–203
asset purchase programmes, covered bonds
purchase programmes 194–6, 201
Asset-backed Securities Purchasing
Programme (ABSPP) 201
collateral assessment and conditionality
compliance 190–91
collateral eligibility requirements 192
collateral haircut schedule 189
collateral widening 188–92
Corporate Sector Purchase Programme
(CSPP) 202–3
Credit Rating Agencies (CRAs) 188, 189–90, 191, 195
economic policy involvement 205–6
‘expropriation’ of savers and undermining of pension funds 187
financial crisis and monetary policy mandate 185–94
forward guidance approach 187–8
future challenges 206–7
Harmonised Index of Consumer Prices (HICP) 186
interest rate setting 186–8, 207
lender of last resort 203–4
Long-Term Refinancing Operations (LTROs) 188, 192–4, 195, 196
negative interest rates 186–7
Outright Monetary Transactions (OMT) 185, 197–201, 512
price stability objectives 185–6
Private Sector Involvement (PSI) 191
prudential supervision 206–7
Public Sector Purchasing Programme (PSPP) 202
Securities Markets Programme (SMP) 196–7, 512
Single Resolution Fund (SRF) Agreement 207
Single Supervisory Mechanism (SSM) 207, 391, 392, 528–9
Eurogroup as interlocutor, European System of Central Banks (ESCB) 172
European Financial Stability Facility (EFSF) 166
European Parliament as interlocutor, European System of Central Banks (ESCB) 172
European Stability Mechanism (ESM) 167, 199, 200, 201
European Supervisory Agencies (ESAs) 166
European Systemic Risk Board (ESRB) 165–6
financial crisis and new institutional developments 165–7, 170
independence principle 156–82
institutional interlocutors 172
interest rate forward guidance 416
Interinstitutional Agreement (IIA) 529
intra-institutional independence 170–71
institutional interlocutors 172
interest rate forward guidance 416
information and dialogue exchange with other institutions 160
negative policy rates 422
Outright Monetary Transactions (OMT) programme 167–8
payment system regulation 473
price stability objective 170
prudential supervision 169–76
Single Supervisory Mechanism (SSM) 166, 170, 171–3, 175, 176–7
supervisors’ accountability 171–4
Supervisory Board 171, 172, 173, 174–5
supervisory tasks and preservation of the principle of independence 174–6
transparency policy 528–9, 530
troika (Member States, Commission and IMF) 166, 169
European System of Financial Supervision 391
European Systemic Risk Board (ESRB) 165–6, 391–2
evolutionary theory see China, and evolutionary theory of central banking exchange connect programs, China 150

Peter Conti-Brown and Rosa M. Lastra - 9781784719227
Downloaded from Elgar Online at 01/01/2019 02:48:22AM
via free access
exchange rate policy
Australia 247–8, 252–3, 256, 257, 259, 267–8
China 142, 145–50
exchange rate movements and foreign
currency reserves 320, 328
Germany 235
India 77–85
inter-central bank FX swap lines 404
Jurgensen report and international
diplomacy and coordination 345, 347
Latin America 277, 278, 280, 281, 282, 286, 293
New Zealand 247–8, 258–60, 261, 263
Plaza Accord and international diplomacy
and coordination 342–8
realised gains and losses on foreign exchange
320–21
Russia 104–5
and shareholder distribution 321
sub-Saharan Africa 214, 215, 217, 219–20, 221–2, 224
expected loss approach to impairments 328
see also accounting
expenses, accounting 326–7
external shocks, response to, sub-Saharan
Africa 216, 221–2, 224

fair value accounting 322
Fairgrieve, D 312
Fak, A 106
fan charts, psychology of central banking 375
Favara, G 385
Fedcoin, US 481–2
Fedorov, B 95–6, 97
Fehr, E 430
Feldman, G 231
Feldstein, M 335, 343, 347
Femia, K 419
Ferejohn, J 367
Fernandez, R 282
Fernández-Albertos, J 296, 300
Fernholz, R 524
Feroli, M 420–21
Ferran, E 175, 393
Ferrrell, R 23
Figner, B 367
Filardo, A 419, 420
financial autonomy see autonomy
financial crises effects
Asian see Asian financial crisis
Australia 248–9
China 131–2
EU currency union 185–94
European System of Central Banks (ESCB)
165–7, 170
global see global financial crisis
Latin America 286–7
UK 49–51
US 28–30
financial stability
China 120–23, 124–5, 147–9
Financial Stability Forum (FSF) creation
338
goal 299–300, 301, 306, 307
Japan 56–7
macro-prudential policy role 509–13
and payment system risks 448–50
and psychology of central banking 372–3, 374
sub-Saharan Africa 224–6
and systemic risk 383–4
and transparency of central banks’ policies
525–6, 530, 532–3
UK 35–9, 38–44, 45, 47, 48–9, 383–4, 388
US 29–30
see also monetary policy; price stability
Finland 203
fiscal implications, macro-prudential policy
role 513
fiscal and monetary policy separation,
Australia 257
fiscal policy, sub-Saharan Africa 211–12, 222, 223
fiscal risks and costs, and lender of last resort
(LOLR) 539
Fischer, S 55, 370, 487, 499
Fisher, I 430, 499
Fitz-Gibbon, B 249
Flandreau, M 334
Fleming, M 357, 415
FMI Report (financial market infrastructures)
452–3
Foot, M 47, 449
foreign currency reserves, accounting 320–21
foreign exchange see exchange rate policy
forward guidance approach, EU 187–8
forward guidance, interest rate 413–21
fractional reserve banking 36, 39, 482, 483, 536, 538
Fraga, A 309
France 203, 423, 424
Frankel, J 342, 343, 345, 346, 347
Frattianni, M 299
Fratzscher, M 432
free banking 9–10, 36, 246–50, 302, 479
Friedman, M 26, 39, 157, 310–11, 365, 434
Fry, M 324
Fujiki, H 62
Fujiwara, I 61–2, 63–4
Funabashi, Y 346, 347, 348
future research 64–5, 66–7, 330–31
futures trading 138, 419, 420
G-5 and G-7 groupings 337, 338, 346, 347, 348
G-10, and OECD Working Party Three (WP3) 336–7, 340
G-20 formation 338–9, 354, 359
G-22 (Willard Group) 338
G-33, international diplomacy and coordination 338
Gagnon, J 411
Gaidar, Y 95, 96, 97, 99, 102
Gailmard, S 366
Galati, G 384
Gali, J 508
Gambacorta, L 426, 429, 502
Garicano, L 122, 171, 312, 313, 521
Geithner, T 28
Gerashchenko, V 94, 96, 98, 102–4, 105, 106, 109
Gerding, E 503
Germany
Corporate Sector Purchase Programme (CSPP) 202–3
government bond yields 423, 424
universal banks 488–9
Germany, central banking tradition legacy 229–44
Bank Inquiry (1933) 234
and Bretton Woods regime 237, 240
Bundesbank and Bretton Woods fixed exchange rate regime 240
Bundesbank and European Monetary System 241–2
Bundesbank independence implications 240
Bundesbank Law (1957) 239–40
Bundesbank and price stability 240–41, 243, 309–10
commercial discount policy (1920s) 231–2
currency reform and Deutsche Mark introduction 239
Delors Committee and European monetary union 242–3
EU Outright Monetary Transaction program 244
Euro crisis effects 244
and European Central Bank 243–4
gold standard 229, 232
gold as vital wartime raw material 237–8
Great Inflation 231–2
Imperial Germany and Reichsbank 230–31
Mefo-Wechsel bills 234, 235
post-war economic reforms, and Bank deutscher Länder (BdL) 238–9, 240
Reichsbank and Bundesbank as models 229
Reichsbank Law (1924) 232
Reichsbank as lender of last resort 230–31
unification effects 309–10
‘Schachtianism’ and external trade 235
Germany, central banking tradition legacy,
Great Depression and Nazification of Reichsbank 233–8
exchange controls 235
Four Year Plan 235
inflation and price controls 235–6
Nazi ‘leadership principle’ application 236
New Europe blueprint 236–7
political intrusion effects 233–6
state-led economy expansion effects 234–5
Gertler, M 62, 409, 425, 426
Geva, B 4, 445–73
Giblin, L 252, 253, 254
Gieseler, K 169
Gieve, J 447
Gilchrist, S 432
Gilman, M 105
Gizycki, M 249
Glass, C 14, 15
Glick, R 432
global financial crisis
China 124
institutional path of central bank independence 310–11
and international diplomacy see international diplomacy and coordination, global financial crisis
Latin America 289–90, 292
macro-prudential policy role 508–9
Russia 111–14
sub-Saharan Africa 209, 210, 216, 224
see also Asian financial crisis; financial crises effects
Goel, A 368
gold reserves, accounting 319–20
gold standard
Australia 247, 251, 252, 253
Germany 229, 232, 233, 237–8
Latin America 275–6, 277–8
New Zealand 247, 252
UK 35, 37, 43, 46–7
US 14, 131
Gollan, R 248, 251, 252
Gómez, J 287
Goodfriend, M 404, 446
Gordon, D 156, 373
Gordon, J 495
Gortsos, C 170
Gough, N 484
governance policy, transparency of central banks 521–3, 526, 534
government bond purchases 409–10, 423–4
government securities 17, 21, 37, 54, 57, 71–2, 145, 327, 328, 358, 400
Australasia 253–4, 256, 261, 263
see also securities
Graham, J 260
Granville, B 103
Greece 190, 191, 201, 206
Green, R 344, 348
Greene, E 394
Greenspan, A 26–8, 509
Gregory, T 38
Grenville, S 437
Griffiths, B 47
Grilli, V 155, 300
Grimes, A 262
Grippa, F 287
groupthink (confirmation) biases 369, 375–6
see also psychology of central banking
Guatemala 275, 283, 284, 287
Gunning, J 211
Guttentag, J 126
Guyan, R 491, 496, 501
Gyotiten, T 343, 345, 346, 354
Habermeier, K 358
Häde, U 160
Haldane, A 3–4, 365–79, 437, 447, 480–81, 482
Hamilton, A 7–8
Hamilton, J 64, 411
Hammond, B 10, 11
Hammond, G 107, 373
Hampson, F 335
Hancock, D 411
Hansen, S 375
hard pegs and currency unions, sub-Saharan Africa 217–18, 222
Hausman, J 412, 426
Hawke, G 248, 259, 260, 261
Hawtrey, R 41, 248, 250
Hayashi, F 58, 63
Hayek, F 477
He, D 122
Heinbecker, P 335
Heinsohn, G 262
helicopter money 331, 431–3, 434–7
Helman, J 504
Henderson, D 345
Henning, C 333, 334, 337, 342, 343–4, 346, 347, 348, 349, 353, 354
Herring, R 126
Hertig, G 56
Hetzel, R 22
Higson, C 323
Hilsenrath, J 358
Ho, C 357
Hockett, R 487
Hodgetts, B 263
Hofmann, B 419, 420, 429
Hogg, P 464
Holder, R 248, 249, 251, 254, 259
‘holding company’ model 489–90, 492–500, 502
see also systemic risk and financial sector structural reform
Holmes, D 27
Holmes, F 262
Holtham, G 302
Honduras 279, 284
Hong Kong 73
Honohan, P 211
Hood, C 520
Hopkin, B 302
Horáková, M 316
Horváth, R 525, 526
Hoe, D 8, 9
Hrung, W 415
hubris (over-confidence) biases 368–9, 374–5
see also psychology of central banking
Huertas, T 491, 501
Hughes, P 369
Hyman, S 17
Iaryczower, M 369
Iceland 480
Ickes, B 102
Imakubo, K 412
IMF
consultations, Russia 99
emergency loan, India 79
Financial System Stability Assessment (FSSA), Russia 109
packages, Asian financial crisis 348, 350, 351–2, 353, 354
stabilization loan, Russia 105
Stand-by Arrangements, Latin America 281
import-substitution industrialization, Latin America see Latin America, import-substitution industrialization
income generation, accounting 325–6
income recognition policy, accounting 328
incurred loss approach to impairments, accounting 327–8
independence principles and democratic legitimacy 532–4
European System of Central Banks (ESCB) 156–82
Germany 240
institutional path see institutional path of central bank independence
Japan 54–5, 64–5
Latin America 284–5, 288
India
Canara Bank v PRN Upadhyaya 70
Sajjan Bank (Private) Ltd v Reserve Bank of India 69
India, Reserve Bank 68–93
ATMs 72
bank-driven computerization 72
Banking Regulation Act (1949) 69–70, 87
branching 87–8
Business Correspondents (BCs) 75–6
colonial-era legislation 69
demonitization crisis 76–7
financial sector liberalization 82–5
First Generation Economic Reforms 80–81, 82, 87, 89, 91
foreign acquisitions 89–90
foreign bank entry and regulation 88–90
Foreign Exchange Dealers’ Association of India (FEDAI) 83
foreign exchange (FX) regulation 77–85
Foreign Exchange Management Act (1999) 82–5
Foreign Exchange Regulation Acts 77–9, 83
GATS commitments 88–9
Government Owned Banks (GOBs) 75, 86
immovable property regulations 85
International Monetary Fund (IMF) emergency loan 79
Islamic banking proscription 70
License Raj system 81
Magnetic Ink Character Recognition (MICR) technology 72
‘Mahatma Gandhi Series’ banknotes and money laundering 76–7
market-determined exchange rate 79–82
mobile banking and payments 73–4
National Electronic Funds Transfer System (NEFT) 72–3
National Payments Corporation of India (NPCI) 73
Non-banking Financial Companies (NBFCs) 89–91
Payments Act (2007) 73–4
payments banks 74–6
payments system regulation 72–7
private sector banks 86–7, 88, 89
Real Time Gross Settlement System (RTGS) 72–3
Reserve Bank of India Act (1934) 68–9, 87
securities investment 84–5
small banks 74–6
statutory liquidity and capital adequacy ratios 70–72
Uruguay Round, multilateral trade negotiations (MTNs), India’s participation in 83–4
inflation
Australia 255, 256–8
and currency values 320
Germany 231–2, 235–6
Latin America 278, 279, 281–2, 283, 285, 286, 287
New Zealand 256–7, 262–4
and output 425–7
public attitudes and perception of 372
US 24–6, 343–6, 348, 354
inflation targeting
China 138–9, 142
Latin America 287–9, 291, 292, 294
Russia 102, 103, 106–7, 112–13, 114
sub-Saharan Africa 209, 212, 214, 216, 218, 219, 220, 221–2, 223–4
UK 46–9, 50
Inoue, T 63
institutional arrangements, Latin America 275–7
institutional change, US see US, institutional change
institutional implications, systemic risk 503–5
institutional interlocutors, European System of Central Banks (ESCB) 172
institutional path of central bank independence
absolute independence, case against 305–8
democratic legitimacy 308
economic test of independence 304
financial autonomy 304, 307
financial stability goal 299–300, 301, 306, 307
incentive structure 303
independence from what 299–300
independence from whom 298–9
judicial review 312
legal articulation 302–5
legal structure 296–8
limits of independence 305–11
monetary control instruments 303, 306–7
monetary independence 299, 300–302, 305–6
operations officers, appointment of 307
organic guarantees and professional independence 303
political argument in favour of independence 301–2
political compromise effects 306–7
public or private ownership issues 296–7
public sector lending restrictions 304
regulatory powers 304–5
seigniorage taxation use 308–9
and sovereign rights 301
supervisory independence and accountability 299–300, 311–13
transparency in monetary policy 312–13
insurance company risks, UK 395
insurance industry, China 124, 135, 137, 148–9
intangibles, accounting 322–3
interbank payment system, need for well-functioning 447, 450
interest rates
Australia 256
China 141, 146
and digital currencies 482–3
EU currency union 186–8, 207
forward guidance 413–21
Latin America 281, 286, 287, 292
negative 186–7, 430–31
New Zealand 261, 262
zero interest rate policy (ZIRP), Japan 58–60, 61–2
international diplomacy and coordination
333–64
Bank for International Settlements 339–41
Brexit effects 360
cooperation episodes 342–59
diplomacy 335–41
exchange rates and Jürgensen report 345, 347
exchange rates and Plaza Accord 342–8
Financial Stability Forum (FSF) creation 338
future direction 359–61
G-5 and G-7 groupings 337, 338, 346, 347, 348
G-20 formation 338–9, 354, 359
G-22 (Willard Group) 338
G-33 338
history 333–4
joint action 334
minilateralism 335
OECD Working Party Three (WP3) and Group of Ten (G-10) 336–7, 340
international diplomacy and coordination, Asian financial crisis and road to G-20 348–54
ASEAN+3 and Chiang Mai Initiative (CMI) 353–4
Asian Monetary Fund (AMF) suggestion 353
IMF packages 348, 350, 351–2, 353, 354
Korean crisis and rollover of loans 351–2, 354
Manila Framework 353
international diplomacy and coordination, global financial crisis 354–9
asset purchase programs 358–9
bilateral currency swap arrangements 357–8
coordinated policy rates reduction 356
liquidity shortages, dealing with 356–7
International Financial Reporting Standards (IFRS) 109, 110, 316–17, 319, 320, 322, 328
International Monetary Fund see IMF
Ireland 190, 328
Israel 324
Issing, O 157, 518, 526, 530, 532
Italy 203, 423, 424
Iwata, S 63
Ize, A 324, 328
Jácome H, L 3, 274–95
James, H 3, 229–44
Janis, I 369
Japan, Bank of Japan 53–67, 328
asset purchases 402, 407–8, 426
autonomy on currency and monetary control 54–5
balance sheet policies 405, 412
Bank of Japan Act 53, 54–7
bank notes, issuing 57
consumer price index (CPI) guidelines 60
Financial Services Agency (FSA) 65
financial system stability 56–7
future research 64–5, 66–7
government bond yields 424
independence 54–5, 64–5
interest rate forward guidance 417, 420
international finance 57
lender of last resort 56–7
liabilities 403
monetary policy 55–6, 58–65, 551
negative policy rates 422
New Keynesian model 62
on-site examinations 57, 65–7
payment and settlement system 57
Policy Board and monetary control 55–6
prudential policy 65–7
Public Finance Act and government securities 54
quantitative easing policy (QEP) 60, 61
Vector Autoregression (VAR) methodology 63–4
zero interest rate policy (ZIRP) 58–60, 61–2
Jenkins, P 449
Jensen, M 367
Jochmann, W 235
Johnson, J 2, 94–116
Johnson, S 30
joint stock banks 41, 43, 137–8, 143, 147, 148
Joplin, T 40, 49
Jorda, O 510, 511
Joyce, M 404, 411
Juliard, C 430
Jung, J 353
Jung, T 62
Kahn, R 3, 29, 333–64
Kahneman, D 365, 368, 369
Kanda, H 2, 53–67
Kane, E 24
Kapetanios, G 426
Kaplan, A 369
Karadi, P 62, 409, 425, 426
Kashkari, N 488
Kashyap, A 538
Kato, T 351
Kaufmann, C 4, 518–34
Keister, T 408
Kemmerer, E 275, 277
Kenadjian, P 491, 496, 501
Kennan, G 230
Kennedy, D 18, 19
Kenya 476
Kessy, P 212
Kettl, D 20, 22
Keynes, J 46, 520
Kharas, H 338, 347
Khosla, R 75
Kim, T 476
Kimura, T 62
Kindleberger, C 510
King, M 370
King, T 411
King, W 42
Kirkpatrick, C 385
Kirshner, J 21
Kirton, J 338–9
Kisch, C 255
Klagge, N 357
Klingebiel, D 387
Klöhr, U 324
Koeda, J 63
Köstem, S 112
Kotlikoff, L 491, 499
Kozlov, A 94–5, 100, 109, 110–11
Kraft, J 354
Krasner, S 333
Krishnamurthy, A 60, 62, 64, 411
Krivoobok, R 115
Krolzig, H-M 64
Krueger, A 80
Krugman, P 61
Kumar, R 77
Kurozumi, T 62
Kwak, J 505
Kydland, F 26, 156
Kynaston, D 537, 546
Labonte, M 449
Laibson, D 368
Lam, W 412
Lambert, R 370
Lane, J 366
Langdon, K 338, 359
Lastra, R 3, 4, 34, 55, 118, 122, 123, 155, 156, 157, 158, 159, 162, 163, 165, 170, 171, 174, 296–313, 380–97, 398, 449, 519, 521, 525, 529, 531, 532, 553–4
Latin America 274–95
banking crises and bailouts 286–7
capital flow management measures (CFMs) 289
central bank independence 284–5, 288
central banks’ board of directors 277, 279–80
Chinese economic development effects 293
crawling pegs 282, 286
exchange rates 277, 278, 280, 281, 282, 286, 293
future direction 290–94
global financial crisis effects 289–90, 292
gold standard 275–6, 277–8
Great Depression 277–8
IMF Stand-by Arrangements 281
inflation 278, 279, 281–2, 283, 285, 286, 287
inflation targeting 287–9, 291, 292, 294
institutional arrangements 275–7
interest rates 281, 286, 287, 292
Kemmerer’s recommendations 275, 277
macroprudential policy function 290–92
monetary policy, forward-looking 285–7
monetary stability 275–6
price stability 286, 291–2
unsynchronized global cycles, effects of 293
see also individual countries
Latin America, import-substitution
industrialization 278–84
and Bretton Woods system 280, 282
capital controls 280, 282
central bank mandates 279–80
debt crisis 282–3
monetary policy during 280–84
‘tablita’ arrangements 282
Latter, E 447
oversupply concerns, lender of last resort (LOLR) 538
and payment system risks 451
requirements, macro-prudential policy role 511–12
shortages, dealing with, global financial crisis 356–7
statutory liquidity and capital adequacy ratios, India 70–72
support measures, interest rate forward guidance 414–17
support perimeter, systemic risk and financial sector structural reform 503–4
Liu, X 2, 128–54
‘living wills’ and group resolution regimes 504
Loewenstein, G 365, 367
Lombardelli, C 375
Lombardi, D 338, 347
Long-Term Refinancing Operations (LTROs), EU currency union 188, 192–4, 195, 196
Louis, J-V 161, 165
Lowenstein, R 11, 12, 14
Lucas, R 431
Lucius, O 449
M-Pesa, digital currencies 476
McAndrews, J 414, 422
McCallum, B 63
McCauley, R 438
McClure, S 367
McCracken, S 3, 245–73
McCraw, T 8
Mcdermott, J 413
Mcgee, R 110
McLaren, N 412
McMahon, M 376
Macfarlane, I 256, 257, 263
macro-economic management, China 141–2
macro-economy influence, unconventional monetary policies 423–38
macro-prudential policy
China 122–5, 131–2, 147–9
European System of Central Banks (ESCB) 169–76, 514–15
Japan 65–7
Latin America 290–92
and lender of last resort (LOLR) 551
sub-Saharan Africa 224–5
UK 51, 389–94, 516
macro-prudential policy role 508–17
capital and liquidity requirements for banks and margins 511–12
contra-cyclical function 512
deposit insurance 510–11

Peter Conti-Brown and Rosa M. Lastra - 9781784719227
Downloaded from Elgar Online at 01/01/2019 02:48:22AM
via free access
Index

and efficient markets hypothesis 151, 509, 520
financial stability and price stability objectives 509–10
financial stability threat 510–13
fiscal implications 513
global financial crisis effects 508–9
micro-prudence overlap 511–13
mortgage securitisation 511
powers given to other regulatory body 514
quantitative easing (QE) effects 516
shadow banking 511
Tinbergen principle 509, 510
wholesale market loans 511
Magnetic Ink Character Recognition (MICR) technology, India 72
Maier, P 524
Majone, G 156
Malkhozov, A 421
Mancini Griffoli, T 358
Mandle, W 259, 260, 261
Mann, T 503
Manning, M 447, 448
Manukova, L 99
Marcus, G 226
Marsh, D 309, 519, 527, 534
Masciandaro, D 182
Massari, J 496, 498
Masson, P 216
Matsuhashi, G 96
Meade, E 3, 29, 55, 56, 333–64, 532
Meckling, W 367
Mehrling, P 15, 504
Meltzer, A 16, 20, 22, 24, 25, 311, 430
Merkley, J 496, 500
Merler, S 193
Merrett, D 249
Mersch, Y 357, 437
Mexico 275, 277, 278, 284–91 passim, 324
Michaud, F-L 357
micro-prudence overlap, macro-prudential policy role 511–13
Middleton, P 519, 527, 534
Miller, G 53, 300, 301, 305, 306, 307
Miller, M 27
Milne, A 50
Milton, S 324
minilateralism, international diplomacy and coordination 335
Minsky, H 509
Mirani, L 74
Mischel, W 365, 367
Mishkin, F 334, 371
Mishra, P 220–21
Mitchell, J 500
Mitchell, R 520
Miyao, R 63
mobile banking and payments, India 73–4
Modigliani, F 430
Moessner, R 384
Mohanty, M 84
Momani, B 99
Monaghan, A 385
monetary policy
Australia 257
China 118, 119–20, 140–41, 145–50
EU currency union 185–94
EU, Outright Monetary Transactions (OMT) 185, 197–201, 512
and institutional path of central bank independence 299, 300–302, 303, 305–6, 306–7, 312–13
Japan 54–6, 58–65, 551
Latin America 280–84, 285–7
and payment system risks 449–50
and prudential supervision separation, European System of Central Banks (ESCB) 170–71
Russia 102–7, 112–14
sub-Saharan Africa see sub-Saharan Africa, monetary policy
transparency of central banks’ policies 524–5, 526–9, 530–31, 532, 533–4
unconventional see unconventional monetary policies
see also financial stability; price stability
money transfer market, and digital currencies 484–5
money-laundering 110–11, 386, 480–81, 482
Montiel, P 220–21
moral hazard and adverse selection, lender of last resort (LOLR) 538, 539, 542–3
Morgan, E 447
Morgan, J 375
Moser-Boehm, P 319, 324, 328
Moyo, D 212
Mundell, R 479
Murphy, E 370
myopia (impatient) biases 367–8, 373–4
see also psychology of central banking
Nakamoto, S 474, 476
Nakazono, Y 64
Napoletano, G 165
Nash, J 474
national competent authorities (NCAs), European System of Central Banks (ESCB) 171, 173, 174
National Electronic Funds Transfer System (NEFT), India 72–3
national level and new supervisory tasks, European System of Central Banks (ESCB) 176–82
national parliaments, accountability to, European System of Central Banks (ESCB) 172–3
Neely, C 411, 432
negative equity, accounting 321, 324, 330
negative interest rates 186–7, 430–31
see also interest rates
Nelson, W 404
Neumann, M 240
New Zealand
bank note issue and state banking 258, 259
bank notes as legal tender 246–7, 249–50, 251
bank run (1893) 249–50
Bank-note Issue Act (1893) 250
Banks Indemnity (Exchange) Act (1932–33) 259
central banking 258–64
command economy 261
deregulation 262–4
Employment Contracts Act (1991) 264
exchange rate control 247–8, 258–60, 261, 263
free banking system, early 246–50
gold standard 247, 252
government securities 253–4, 261, 263
inflation control 256–7, 262–4
interest rate controls 261, 262
interest rate forward guidance 413
legislative frameworks 264–9
lender of last resort 269
market equilibrium for bank reserves 436
private banks and colonial governments 247
Public Finance Act (1989) 269
reserve asset ratio system 261
Reserve Bank of New Zealand 258, 268–9
Reserve Bank of New Zealand Acts 259–60, 264
Reserve Bank of New Zealand Amendment Acts 260, 261, 262
Strategic Finance v Bridgman 266
trading banks 247, 248–9, 253–4, 255, 261, 262
ultra vires doctrine 266
see also Australia
Nicaragua 278, 279, 284
Niemeyer, O 255, 259
non-banks
Australia 255–6
China 137
India 89–91
and lender of last resort (LOLR) 549–50
UK 382–3
Nordhaus, W 156, 368
North, D 2
Norway 426
Noussair, C 430
Nurske, R 275
Obstfeld, M 293, 360
O’Connell, S 211, 221
Oda, N 63
Odling-Smee, J 99, 103
OECD Working Party Three (WP3) and Group of Ten (G-10) 336–7, 340
Ogden, T 42
Okimoto, T 63
Okina, K 62
Olmstead-Rumsey, J 516
Olsen, M 109
Omarova, S 487–507
online fantasy games, digital currencies 476
operating costs, accounting 325, 326–7
Orlowski, J 367
Orphanides, A 25
Oskamp, S 368
Ostry, J 219
Outright Monetary Transactions (OMT) programme, EU 167–8, 185, 197–201, 512
Packer, F 414
Padoa-Schioppa, T 169, 242, 383–4, 453
Paraguay 277, 279, 284, 287, 290
Parkin, M 300
Parshica, G 414
Passmore, W 411
Pastor, G 103
Patterson, J 19
Pattillo, C 218
Paulson, H 28
Pauwelyn, J 521, 522, 532
payment system regulation
Australia 468–72, 473
Canada 460–65
European System of Central Banks (ESCB) 473
India 72–7
South Africa 466–8
UK 456–60
payment system risks 445–73
Bank for International Settlement (BIS), Committee of Payment and Settlement Systems (CPSS) 448, 450–52, 458
central bank’s functions 445–53
credit risk 451
‘domino effect’ risk 451
financial stability measures 448–50
FMf Report (financial market
infrastructures) 452–3
interbank payment system, need for well-functioning 447, 450
legal risk 451
liquidity risk 451
messaging, clearing and settlement 446, 447–8
and monetary policy execution 449–50
national comparisons 454–72
operational risk 451
safest settlement asset 446–7
safety and efficiency objectives 453
systemic risk limitations 450–51
systemically important payment systems 452–3
universal guidelines 451–2
pegs

crawling pegs, Latin America 282, 286
hard pegs and currency unions, sub-Saharan Africa 217–18, 222
Pennacchi, G 499
pension funds 187, 428–9
Perera, A 324
Perotti, E 513
Peru 275, 277, 281, 283–91 *passim*, 293
Pesaran, M 426
Peterson, M 532
Piketty, T 437
Pisani-Ferry, J 359
Plumptre, A 248, 253, 260
Polden, K 251
political argument in favour of independence 301–2
political compromise effects 306–7
political economy issues, unconventional monetary policies 433–8
Popper, N 478
Portillo, R 3, 208–28
Portugal 190
Posen, A 241
Posner, E 547
preference biases and principal/agent relationship 366–7, 371–3
*see also* psychology of central banking
Preobragenskaya, G 110
Prescott, E 26, 58, 156
Pressnell, L 38
price stability

EU currency union 185–6
European System of Central Banks (ESCB) 170
Germany 240–41, 243, 309–10
Latin America 286, 291–2

macro-prudential policy role 509–10
sub-Saharan Africa 209, 210, 214
and transparency of central banks’ policies 532
*see also* financial stability; monetary policy
Promisel, L 338, 359
prudential policy *see* macro-prudential policy
psychology of central banking 365–79
‘3M’ regime and constrained discretion 370–71
Bank of England’s policy framework 369–71
behavioural biases 366–9, 371–6
economic forecasting procedures review 376
fan charts 375
financial stability perceptions 372–3, 374
Great Moderation replaced by Great Recession 365, 376
groupthink (confirmation) biases 369, 375–6
hubris (over-confidence) biases 368–9, 374–5
myopia (impatient) biases 367–8, 373–4
preference biases and principal/agent relationship 366–7, 371–3
public attitudes and perception of inflation 372
public or private ownership issues, institutional path of central bank independence 296–7
public sector lending restrictions 304
Public Sector Purchasing Programme (PSPP), EU currency union 202
quantitative easing (QE)
accounting 330
Japan 60, 61
macro-prudential policy role 516
sub-Saharan Africa 209–10
quasi-debt management policy, unconventional monetary policies 400–401
Quigley, N 261, 262
Quinn, S 39
Quintyn, M 156, 170, 311
Radford, R 477
Rae, G 39–40
Rajan, R 67, 359, 428
Rakove, J 16
Ramo, J 28
Raskin, M 4, 419, 474–86
Real Time Gross Settlement System (RTGS), India 72–3
Reddell, M 263
regulation and supervision implications, lender of last resort (LOLR) 550–51
regulatory ‘boundary’ problem, and systemic risk 501–2
regulatory framework, transparency of central banks’ policies 526–34
Reichlin, L 434
Reis, R 25, 26, 365
Renner, M 387
reputation as asset 323
Required Reserve Ratio (RRR) system, China 141, 146, 149, 512
reserve asset ratio system, New Zealand 261
revaluation deficits, accounting 321
Rey, H 429
Ricks, M 499
‘ring-fencing’ of retail bank operations, UK 492–3, 494–5
Ringe, W-G 495
Risko, A 3, 155–83
Robinson, J 366
Rogers, J 432
Rognlie, M 422
Rogoff, K 360
Rosenberg, G 496, 498
Rosenberg, I 413
Rosenfeld, E 478
Ross, S 344
Roubini, N 350
Rubin, R 28, 352
Rudd, J 25
Rudebusch, G 409, 411
Russia, Bank of Russia 94–116
anti-money laundering law 110–11
Asian financial crisis effects 104–6, 109
banker training courses 99–100, 101, 107–8
banking supervision 107–11
‘Black Tuesday’ 103–4
commercial banks 108–9, 110, 111
Credit Rating Agency of the Russian Federation 115
debt cancellation 103
deposit insurance system 109, 110
EU TACIS (Technical Aid to the Commonwealth of Independent States) program 99, 108, 109–10
Federal Financial Markets Service 113–14
FIMACO bank and hard-currency reserves 99
five-year strategy for banking sector development 109, 111
GKOs (short-term treasury instruments) 104–5
global financial crisis effects 111–14
Gosbank USSR 96–7, 100
IMF consultations 99
IMF Financial System Stability Assessment (FSSA) 109
IMF stabilization loan 105
inflation targeting 102, 103, 106–7, 112–13, 114
International Financial Reporting Standards (IFRS) 109, 110
monetary policy 102–7, 112–14
National Card Payment System 115
origins 95–9
perestroika (restructuring) program 95–6
price liberalization and macroeconomic stabilization program 97, 103–4
ruble zone 97, 102, 103
ruble-dollar exchange rate 104–5
Sberbank control 108–9
sovereignty issues 95, 96, 97, 103, 112, 115
Soviet Union collapse 97, 99, 107
structural problems 100–101
transformation 99–101
transparency improvements 106
Ukrainian challenge and sanctions 114–15
Ryterman, R 102
safest settlement asset, payment system risks 446–7
Salomon, M 530
Samm, C 155
Sampson, S 345
Samuelson, R 24
Saraogi, R 68, 69, 71, 72, 86, 87, 88, 89, 90
Sarmiento, D 168
Satterlee, H 11
savings, ‘expropriation’ of savers, EU currency union 187
Schedvin, C 254, 255, 256
Schmidt-Hebbel, K 287
Schoenmaker, D 123, 169
Schwartz, D 30
Schwartz, A 26, 310–11, 365
Scott, H 384, 450
securities
China 123–4, 138, 143, 144, 145–6, 148
EU Securities Markets Programme (SMP) 196–7, 512
government see government securities holdings, accounting 321–2, 323, 326, 327
India 84–5
and lender of last resort (LOLR) 544
mortgage securitisation, macro-prudential policy role 511
Seidel, R 275
seigniorage 212, 308–9, 326, 476–7, 539
Index

Selgin, G 9
Seligman, J 415
Selmayr, M 156, 157, 159, 163
Senior, S 370
Setser, B 350
shadow banking 45–6, 152–3, 394–5, 504, 511
Shafir, E 430
Shams, H 156, 158, 162, 519, 521
shareholder distribution and foreign exchange, accounting 321
shareholders, financial ‘buffers’ and potential losses, accounting 329
Shefrin, H 367
Sheng, A 386
Shepard, W 76, 77
Sheppard, L 498
Shiller, R 372, 430
Shin, H 429
Shinasi, G 449
Shioji, E 63
Shiratsuka, S 62, 63
Slaes, A 16
Sibert, A 365
Siegmam, C 340–41
Sickmann, H 160
Siklos, P 525, 526
Silber, W 24
Simmons, B 339
Simons, H 549
Sims, C 63
Sinclair, K 259, 260, 261
Sinclair, P 324
Singapore 73
Singh, M 79–81
Singh, S 76–7
Single Resolution Fund (SRF) Agreement, EU 207
Single Resolution Mechanism (SRM), EU 166, 391, 392–3
Single Supervisory Mechanism (SSM), EU 166, 170, 171–3, 175, 176–7, 207, 391, 392, 528–9
Singleton, J 263, 264
Sisoyev, G 115
Smith, C 260
Smith, R 426
Smith, V 41
Smits, R 3, 162, 168, 169, 170, 184–207, 298
Snidal, D 335
socialist market economy, China see China, and evolutionary theory of central banking, socialist market economy
socialization of risk, UK 45–6
Sorkin, A 28
South Korea 73
sovereign debt crisis 283, 287, 323, 328
EU 185, 197, 391, 405
sovereign debt management 130, 146, 212
sovereign rights, and institutional path of central bank independence 301
sovereign wealth funds 225–6
sovereignty issues, Russia 95, 96, 97, 103, 112, 115
Spain 203
Spiegel, M 415
Spindler, J 449–50
Spong, K 383, 385
Stadermann, H-J 248
Stasavage, D 212
’s state bank’ model, China 133
Statutory Reserve Deposit (SRD) mechanism, Australia 256
Steiger, O 262
Steil, B 43
Stella, P 324
Stevens, G 257
Stewart, C 107
Stock, J 63
stock exchange, first, China 138
Stockton, D 376
Stone Sweet, A 157
Straub, R 26
’s strict separation’ model, and systemic risk 490–91, 495–500, 502
Strong, B 16–17
Suarez, J 513
sub-Saharan Africa, monetary policy 208–28
analytical and forecasting capacity 216, 219, 225
capital adequacy requirements 225
capital flows as source of external shocks 222
CFA Franc Zone 210, 211, 217–18
challenges 220–24
currency boards (1970s) 210–11
current 213–16
exchange rate management 214, 215, 217, 219–20, 221–2, 224
external shocks, response to 216, 221–2, 224
financial stability goal 224–6
fiscal policy 211–12, 222, 223
forecasting and policy analysis systems (FPAS) 224
forward-looking strategy and communications 216, 219
global financial crisis effects 209, 210, 216, 224
hard pegs and currency unions 217–18, 222
history 210–13
inflation targeting 209, 212, 214, 216, 218, 219, 220, 221–2, 223–4
legal frameworks and operational independence 213–14
macroprudential policy 224–5
modernization 218–20
monetary operation expenses 213–14
monetary transmission mechanism 220–21
natural resource wealth, central banks as custodians of 225–6
operational policies of central banks 215
policy analysis models 223–4
post-colonial era 211, 218–19
price stability 209, 210, 214
principles-based benchmark 209–10
quantitative easing experimentation 209–10
Rand Common Monetary Area (CMA) 211, 217, 218
Reserve Money Targeting (RMT) 215
reserve policy coordination 223
subsidiarization and ring-fencing, EU 494–5
Sullivan, K 316
Summers, B 446, 449–50
Summers, L 118, 155, 291, 300, 532
Sumner, S 16
Sunstein, C 366
supervision
China 144, 152–3
European System of Central Banks (ESCB) 166, 169–82
and institutional path of central bank independence 299–300, 311–13
Japan 57, 65–7
and lender of last resort (LOLR) 550–51
Russia 107–11
UK see UK banking regulation and supervision
Surti, J 496, 498
Svenson, O 368
Svensson, L 61, 508
Swanson, E 411, 419, 420
Sweden 326, 413, 422, 423, 424, 426, 513–14, 516, 533
Swinburne, M 155
Switzerland 422–3, 423, 424, 426
systemic risk
China 148–9
limitations, and payment system risks 450–51
systemically important payment systems 452–3
UK banking regulation and supervision 383–4
systemic risk and financial sector structural reform 487–507
‘holding company’ model 489–90, 492–5, 502
‘holding company’ model to ‘strict separation’ model, US 495–500
importance of 500–505
institutional capacity and autonomy 504–5
institutional implications 503–5
‘licensed money’ regime proposal 499
liquidity support perimeter 503–4
‘living wills’ and group resolution regimes 504
‘narrow’/‘utility’ banking proposal 499
non-excluded proprietary trades 497–8
regulatory ‘boundary’ problem 501–2
regulatory perimeter 503
‘ring-fencing’ of retail bank operations, UK 492–3, 494–5
shadow banking sector 504
‘strict separation’ model 490–91, 495–500, 502
subsidiarization and ring-fencing, EU 494–5
substantive regulatory mandate 504
too-big-to-fail (TBTF) problem 488, 491, 492, 500
‘universal bank’ model 488–9, 490, 491, 492–5, 502
Volcker Rule 495–8, 504
Tabellini, G 156
Taleb, N 368
Tannan, M 68, 69, 70, 72, 87
Taylor, J 26, 61, 347, 360, 414, 429, 530
Taylor, M 156, 170, 311
Ter Kuile, G 172
Thakor, A 368
Thaler, R 366, 367, 368
Thatcher, M 157
Thiessen, G 449
Thorton, D 414
Thornton, H 40, 49, 178, 509
Timberlake, R 9
Timbergen, J 157, 509, 510
Tocker, A 248, 258
Tompson, W 95, 97
Tong, M 411
Tonio, G 334, 337, 340, 341
too-big-to-fail (TBTF) problem 488, 491, 492, 500
Tracy, R 503
trading banks, Australasia 247, 248–9, 253–4, 255, 261, 262
transparency of central banks’ policies 518–34
accountability, impact on 520–23, 530, 531–2, 533
as anchor for financial regulation 519–20
collateral criteria 531, 533
economic impacts 523–4
European System of Central Banks (ESCB) 528–9, 530
financial stability impact 525–6, 530, 532–3
future direction 534
governance policy 521–3, 526, 534
independence and democratic legitimacy 532–4
institutional path of central bank independence 312–13
lender of last resort (LOLR) role 531, 533, 539, 544, 546–7
monetary policies 524–5, 526–9, 530–31, 532, 533–4
new central role 518–19
price stability concept 532
regulatory framework 526–34
Russia 106
transparency measures 526–9
see also accountability
Trichet, J-C 196–7, 207
troika (Member States, Commission and IMF), EU 166, 169
Truman, E 342, 343, 345, 347, 348, 351
Tucker, P 4, 370, 418, 504, 535–52
Tuckett, D 369
Turner, A 434, 437, 438
Turner, H 233
Tversky, A 368
Tyran, J-R 430
Ueda, K 60, 63, 64, 412, 438
Ugai, H 417
UK Attorney-General v Great Eastern Railway Company 266
Bank of England asset purchases 402, 407, 426
Bank of England balance sheet policies 405, 411–12
Bank of England Funding for Lending Scheme 193
Bank of England interest rate forward guidance 420, 421
Bank of England liabilities 403
Bank of England and psychology of central banking 369–71
Bank of England seigniorage 326
Banking Reform Act 492, 493
bitcoin use 480–81
Brexit 360
Emergency Liquidity Assistance (ELA) 531
Financial Services Acts 50–51, 370, 388, 456
Financial Services (Banking Reform) Act 293–4, 456–7
Mortgage Market Review (MMR) 516
national comparisons, UK, payment system risks 456–60
payment system regulation 456–60, 473
Payment Systems Regulator (PSR) 457
systemic risk and retail ring-fencing 492–3
Three Rivers District Council v Bank of England 312
UK, Bank of England’s objectives and development 34–52
anonymity protective device 42
Bank Charter Act 38, 46
Banking Acts 45, 49, 51, 457, 458, 459
Baring Crisis (1890) 38, 41, 46
Bretton Woods System 43, 47
capital ratios 35–6, 44–5, 46, 49, 50
City of Glasgow Bank failure 38
commercial banks 39–40, 42, 49, 50
deregulation 42–3
Discount Market 50
European Exchange Rate Mechanism (ERM) 47–8
financial crisis effects 49–51
Financial Services Authority (FSA) 49
financial stability 35–9, 38–44, 45, 47, 48–9
floating of sterling (1972) 47
fractional reserve banking 36, 39
gold standard 35, 37, 43, 46–7
inflation targeting 46–9, 50
lender of last resort 36–7, 38, 39, 40–42, 46, 531
Northern Rock crisis 49–50
origins 34–9
Overend and Gurney Crisis 37–8, 42
post World War II developments 43–9
Prudential Regulatory Authority (PRA) 51
regulatory environment 42–3
shadow-banking sector growth 45–6
‘shadowing the deutschmark’ policy 47
socialization of risk 45–6
‘too-big-to-fail doctrine’ 42, 45
and US dollar exchange rate 47
UK banking regulation and supervision 380–97
bank definition 381–3
Banking Act 382
Basel II prudential supervision 387
Basel Revised Core Principles For Effective Banking Supervision 383
collateral requirements 389–90
credit intermediation concerns 381–2
distinction between banks and non-bank financial institutions 382–3

Peter Conti-Brown and Rosa M. Lastra - 9781784719227
Downloaded from Elgar Online at 01/01/2019 02:48:22AM
via free access
economic consequence of bank failures 386–7
economic importance of banks 385
EU, Bank Recovery and Resolution Directive (BRRD) 392–3
EU, De Larosière Report 391–2
EU, Single Resolution Mechanism (SRM) 391, 392–3
EU, Single Supervisory Mechanism (SSM) 391, 392
EU, sovereign debt crisis and creation of European Banking Union 391
European System of Financial Supervision 391
European Systemic Risk Board (ESRB) 391–2
Financial Policy Committee (FPC) 388–400
Financial Services and Markets Act (FSMA) 382
Financial Stability Reviews 388
financial stability and systemic risk 383–4
governmental intervention justification 386–7
insurance company risks 395
macro-prudential levers 389–90
macro-prudential regulation 387–9, 391–4, 516
market innovation and policy frameworks combination 386–7
shadow banking challenges 394–5
Turner Review 387–8
Ukraine 114–15
ultra vires doctrine 198, 266, 514
unconventional monetary policies 398–444
asset purchases and lending schemes 405–8, 409–13, 425–7
balance sheet policies 400, 404–5, 409–13, 417, 425, 428–9, 437–8
bank reserves policy 400–401, 402–4, 408, 421, 423, 434–6
collateral requirements 402, 408, 409, 413
credit policy 401–2
collateral requirements 402, 408, 409, 413
currency and measure-specific characteristics, importance of 427–33
credit policy 401–2
government bond purchases 409–10, 423–4
government bond purchases 409–10, 423–4
government bond purchases 409–10, 423–4
helicopter money 431–3, 434–7
influence on financial conditions 408–23
interest rate forward guidance 413–21
interest rate forward guidance, liquidity support measures 414–17
macro-economy influence 423–38
measures adopted by central banks 404–8
negative interest rates and money illusion 430–31
negative policy rates 421–3
output and inflation, empirical evidence 425–7
pension funds and recession recovery 428–9
political economy issues 433–8
prudential management policy 400–401
taxonomy 400–404
‘universal bank’ model, and systemic risk 488–9, 490, 491, 492–5, 502
unrealised valuation gains, accounting 320
Uruguay 277, 279, 281, 283, 284, 286, 287, 290
US
Bank Holding Company Act 489–90, 496, 503
Chicago Plan 482
credit-easing (CE) policy 512
deposit insurance 536
digital currencies 480, 481
Dodd-Frank Act 29, 394, 454, 495, 496, 503, 547, 548
Exchange Stabilization Fund 344, 348
Expedited Funds Availability Act 454
external impact of monetary policy 432
Fedcoin 481–2
Financial Stability Oversight Council (FSOC) 29–30, 455, 514, 528
global financial crisis effects 354–9
Gramm-Leach-Bliley Act 491, 502, 503
Hepburn v Griswold 479–80
‘holding company’ banking model 489–90, 502
‘holding company’ banking model to ‘strict separation’ model 495–500
insurance company risks 395
Legal Tender Act 479–80
mobile banking 73
Plaza Accord 342–8
Smoot-Hawley Tariff Act 340
trade-weighted US Dollar Index 342–4
twin deficits 342, 344
Volcker Rule 495–8, 504
US, institutional change 6–33
Aldrich-Vreeland Act 12
Banking Act (1935) 18–19
Board of Governors of the Federal Reserve System 18–19, 20–21
Consumer Financial Protection Bureau (CFPB) 29–30
Election of 1912 13–14
Federal Open Market Committee (FOMC) 17, 21, 25–6, 527–8
Federal Reserve Act 10, 11, 14, 16, 29, 497, 504
Federal Reserve Banks 14, 15, 16, 17, 18, 19
Federal Reserve Board 15, 17
Federal Reserve Board, Governor position 17–18, 19, 22–8
Federal Reserve Board, Monetary Policy Reports 527–8
Federal Reserve Board, payment system regulation 454–5
Fed–Treasury Accord (1951) 19–22
financial crisis effects and lessons 28–30
free banking rise 9–10
Glass-Steagall Act 17, 490–91, 498–9
gold standard 14, 131
and Great Depression 16–17, 131, 310–11, 510
Greenspan's monetary policy 26–8, 509
inflation, combatting, and Volcker 24–6, 343–6, 348, 354
inflation concerns 20–22, 23
Jacksonian Bank Wars 11
Jekyll Island meeting 12–14
legislative debate and functions of institutionalized money 14
Money Trust hearings 13
National Bank Acts 10
National Bank (Bank of the United States) origins 7–9
National Monetary Commission (NMC) 12–13
National Reserve Association (NRA) 13
New Deal 17–19
nineteenth century 7–10
Panic of 1907 and JP Morgan 11–12
‘real bills doctrine’ 14
structural basis 14–15
Warburg’s banking reforms 10
Wilsonian Compromise 14–16, 19
US, institutional change, Federal Reserve System
asset purchases 402, 406, 426–7
balance sheet policies 405, 411, 438
control by domination (Nixon and Burns) 22–4
cost-based accounting 322
founding 11–16, 130, 131
government bond yields 424
interest rate forward guidance 414–16, 419–20, 421
and legal personality 297, 301, 304–5, 306
liabilities 403
power consolidation between presidents and Fed chairs 22–8
regulatory perimeter 503
second founding 16–19
valuation and accounting
unrealised valuation gains 320
using current values 322
Van Buren, M 8
Van den Berg, C 159, 242
Van der Cruijsen, C 523, 524
Van Rixtel, A 502
Vanderlip, F 11, 13
Vartiainen, H 366
Vaško, D 525, 526
Vayanos, D 428
Vázquez, F 284, 285
Vector Autoregression (VAR) methodology, Japan 63–4
Venezuela 276, 278, 283, 284, 294
Vermeule, A 547
Vila, J-L 428
Villasenor, J 87
Vissing-Jorgensen, A 60, 62, 64, 411
Vlcek, J 221
Volcker
inflation, combatting, and Volcker, US, institutional change 24–6, 343–6, 348, 354
P 495–8, 504, 550
Von Hagen, J 120
Von Mises, L 483
Wallace, N 409
Walsh, C 156
Wang, M 367
Warburg, P 10, 12–13, 14–15, 16
Wass, D 302
Wateska, L 367
Watson, M 63
Weale, M 426
Weber, B 430
Weber, J 429
Weber, R 4, 518–34
Wedel, J 104
Weenink, H 158
Weisberg, J 352
Werner, A 287
Wessel, D 28
Westrup, J 171
Whaley, F 484
Whisker, R 549
White, A 499
White, E 369
White, L 9, 478
White, W 509
Wicker, E 11
Wieladek, T 426
Wieland, J 412, 426
Wieland, V 63
Research handbook on central banking

Williams, J 25, 414, 419
Williamson, J 342
Wilmarth, A 491, 499
Winkler, R 481
Wolf, M 310
Wood, G 2, 34–52, 264, 268
Woodford, M 58, 61, 409, 417, 418, 419, 429, 434
Woodruff, D 104
Woolley, J 24
World Trade Organization (WTO) accession, China 145
Wray, L 509
Wu, S 63
Wu, T 414
Yamanaka, T 2, 53–67
Yasin, Y 95, 96
Yellen, J 437, 487, 499
Yermack, D 4, 474–86
Yudaeva, K 112–13
Zabai, A 4, 29, 398–444
Zagouras, G 166, 169, 170, 175
Zaks, D 104
Zaring, D 30
Zauberman, G 365, 367
zero interest rate policy (ZIRP), Japan 58–60, 61–2
see also interest rates
Zhou, X 145
Zhou, Z 2, 117–27
Zilioli, C 3, 155–83
Zlate, A 432