

**Economics
Seminar
Series
2018**



**SOUTH ASIAN UNIVERSITY
FACULTY OF ECONOMICS**

Seminar

Macro-financial stability: The prevailing policy regime, its pitfalls, and an alternative policy regime

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Date: April 27, 2018
(Friday)

Time: 2:30 p.m.

Venue: FSI Hall, Akbar Bhawan,
Satya Marg, Chanakyapuri, New Delhi

All are Welcome

ABSTRACT

Under the prevailing macroeconomic policy regime, central bank's focus on inflation targeting compromises stability of output and employment; this is particularly true in emerging economies. Furthermore, the prevailing policy for macroeconomic stability has adverse side-effects for financial stability; it affects asset price stability, and it encourages short-term funding. Finally, the prevailing policy regime is complex, it obfuscates issues, and it results in non-transparent redistribution. Research by this author shows that it is possible to have a different and simpler macroeconomic policy regime that faces less trade-off and that has less adverse side-effects for financial stability and for distribution.