



# Ensayos sobre POLÍTICA ECONÓMICA

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## Guest Editors' note



As it has been done for 10 years, the journal *Ensayos sobre Política Económica (ESPE)* of the Banco de la República de Colombia promotes, by means of its annual conference, the dissemination of knowledge about relevant topics in economics, not only in the Colombian context but also in the international one. During these 10 years, the conference of the special edition of ESPE has stimulated discussion on important issues of economic policy.

On this occasion, the eleventh edition is dedicated to research on Changes in Monetary Policy and Central Banking in the Last Two Decades.

The adoption of the inflation targeting scheme and the increase in central bank transparency since the 1990s led to fundamental changes in the conduct of monetary policy. Both central bank communication with the public and the need to maintain low and stable inflation gained relevance as a result of these changes. Similarly, due to the recent international financial crisis, central banks have faced new challenges that have required the use of alternative policy instruments and the need for progress in understanding the interaction between regulation and financial stability and the conduct of monetary policy.

The call for papers of this special edition was released in October 2013 with an extensive list of topics derived from the main research area. Many papers were received and after careful assessment, the selected ones were announced in August 2014. These works were written by researchers from both national and international academic institutions. Selected papers represent an interesting mixture of different approaches which try to answer questions that are significant to the conduct of the current and future monetary policies.

As a consequence of the selection process, the annual conference was held in October 2014, with the same title as that of the special edition.

Before providing some details about the conference, the guest editors would like to thank the work of Ana María Iregui, Editor in Chief of ESPE and the Department of Communication and Education in Economics and Finance of the Banco de la República, particularly the External Relations and the Graphic Design and Electronic Media teams.

## 1. Keynote speakers

For the annual conference we had two well-known international researchers who discussed frontier issues related to monetary and macroprudential regulation.

On the one hand, Prof. Pierre Siklos (Wilfrid Laurier University, Canada), an international expert in monetary policy and central banking, referred to changes in the conduct of monetary policy as a result of the global crisis. In particular, he remarked the importance gained by financial stability and the effects that the crisis

has had on the interaction with the public and how central bank communication has become an additional monetary policy tool.

On the other hand, Prof. Dimitrios Tsomocos (Saïd Business School, University of Oxford, UK) known for his substantial contribution to research issues related to regulation and financial stability, talked about macroprudential regulation, a topic that has become significant in the economic debate, especially after the crisis of 2008. Among other things, he highlighted that several tools of financial regulation are welfare improving, but each has a different impact on the groups of economic agents, which leaves room for future analysis from the political economy perspective.

## 2. Selected articles

During the annual conference authors of the papers accepted for this special edition also presented their work. Seven documents about a wide range of topics were selected.

Jesus Botero (Universidad EAFIT, Colombia) and Nataly Rendon (Universidad Pontificia Bolivariana, Colombia), using a theoretical model, compare the effects on output and prices of monetary and exchange rate policies.

Peter Claeys (Vrije Universiteit Brussel, Belgium) examines the impact of different conditions of a country on the probability of a monetary regime shift.

Rolando Gonzales (Bayes Group, Bolivia) estimates, for Nicaragua, the level above which inflation is detrimental to economic growth.

Javier Gutierrez (Ministry of Finance, Colombia) and Andres Murcia (Banco de la República, Colombia) identify the effect that the financial market structure has on the transmission of monetary policy.

Volker Nitsch (Darmstadt University of Technology, Germany) presents an empirical study on the allocation of the functions of financial and macro-prudential supervision, including those allocated to central banks.

Jorge Quintero (Universidad del Norte, Colombia) analyzes the effect of monetary policy on economic activity for five Latin American inflation targeting countries.

Rodrigo Taborda (Universidad de los Andes, Colombia) evaluates communication with the public in four Latin American central banks, by means of statistical text analysis of the minutes of monetary policy committees.

We hope this special edition promotes the debate on issues related to the conduct of monetary policy and of economic policy in general and encourages more national and international researchers to keep working in this direction and submit their research to be considered for publication in the future issues of ESPE.

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