

Joint ECB and Deutsche Bundesbank research workshop

Macroprudential policy: effectiveness, unintended consequences, and challenges ahead

10 July 2020, Frankfurt am Main

Background

Over the last few years, policymakers have gained considerable experience of applying macroprudential instruments, particularly in the banking sector. Against that background, the time has now come to consolidate our understanding of the transmission, effectiveness and unintended consequences of macroprudential policy. In a set-up with numerous macroprudential tools, one key challenge in this regard is the need to take account of the various interactions and synergies that may arise from the use of particular combinations of measures. It is also important to evaluate whether, and to what extent, macroprudential objectives are achieved, as well as the role that the communication of macroprudential policy action plays in this context. Moreover, we also need to consider any unintended consequences that the implementation of macroprudential policy may have (e.g. implications for other policy areas and adverse distributional effects). Finally, there are various new challenges (such as climate change, technological innovation and governance issues) that may now also need to be taken into consideration when applying macroprudential policy.

It is in this context that the ECB and the Deutsche Bundesbank are jointly organising their fifth annual Macroprudential Policy Group (MPPG) research workshop, which is entitled **“Macroprudential policy: effectiveness, unintended consequences, and challenges ahead”** and will take place in Frankfurt am Main on **10 July 2020**. This annual event is a useful opportunity for policymakers, regulators and academics to come together and share practical experience and research in the field of macroprudential policy.

Objectives

This workshop aims to foster and strengthen dialogue between policymakers and researchers, with a view to enhancing our collective understanding of the functioning of macroprudential policies. This year’s event will focus on the evaluation of macroprudential policy and the various challenges that this poses. The workshop will offer an opportunity to share and review empirical studies, state-of-the-art models and methodological tools in the field of macroprudential policy analysis.

Topics

We welcome all theoretical and empirical contributions on the effectiveness and unintended consequences of macroprudential policy. Potential topics include the following:

- **Effectiveness of macroprudential policy**
 - > Evaluating the effectiveness of macroprudential policy
 - > The interaction between different macroprudential instruments
 - > Conducting a holistic assessment of the implications of macroprudential policy
 - > The role of governance and communication in terms of fostering the effectiveness of macroprudential policies

- **Unintended consequences of macroprudential policies**
 - > Distributional effects of macroprudential policies and access to finance
 - > The impact that macroprudential policies have on the macroeconomic environment
 - > Interaction with other areas of economic policy (such as monetary and fiscal policies)

- **Challenges for macroprudential policy**
 - > Macroprudential policy and risks arising from technological innovation in the financial sector
 - > Macroprudential policy and governance issues
 - > Macroprudential policy in the face of growing climate change risks
 - > Macroprudential policy outside the banking sector

Submissions

The workshop's organisers welcome submissions from authors working for members of the European System of Central Banks (ESCB), academic institutions or EU/international financial institutions who have a professional interest in the issues outlined above. Interested authors should send either completed draft papers (strongly preferred) or extended abstracts to workshopmacropru@ecb.europa.eu by **20 March 2020**. All submissions should be in English (in PDF format), should include an abstract, and should include the name and email address of a nominated author who could present the paper.

Selection process and workshop attendance

The organising committee will review all submissions received by the deadline, looking at their quality, their policy relevance and the level of interest that they are likely to generate, while also taking into account the overall balance of the workshop in terms of subject matter and approaches. All authors will be notified by mid-April 2020 as to whether or not their papers have been accepted.

In addition to presenters and other speakers, invitations to attend the workshop are also extended to:

- > members of the MPPG;
- > members of any department within the ESCB that is represented in the substructures of the Financial Stability Committee who are working on issues related to the theme of the workshop;
- > employees of any EU/international financial institution (e.g. the Bank for International Settlements, the Federal Reserve System or the International Monetary Fund) who are working on issues related to the theme of the workshop.

Space constraints may mean that organisers need to limit the number of participants from each institution (not including presenters of accepted papers and discussants).

Expenses

The travel and accommodation expenses of all attendees, presenters and discussants representing members of the ESCB or EU/international financial institutions should be covered by their own organisations. Expenses incurred by participants representing academic institutions may be reimbursed by the organisers on request. No participation fees will be charged.

Organising committee

- Elena Banu (ECB)
- Tim Oliver Berg (Deutsche Bundesbank)
- Marco Lo Duca (ECB)
- Ursula Vogel (Deutsche Bundesbank)