

**ELECTIVE COURSE OFFERING IN THE 2016 EARLY SUMMER TERM****ECON 5880 R – SPECIAL TOPICS IN ECONOMICS:  
CENTRAL BANKING: THEORY, PRACTICE, AND RECENT CHALLENGES****Course description**

This course will cover issues related to the formulation and implementation of monetary policy in Canada and other countries. While it will include some theoretical elements needed for the understanding of these issues, its primary focus will be on the ways in which policymakers have addressed practical issues of policy making over the years. The course is aimed at how monetary policy actually gets made and at current policy issues, including the challenges facing central banks in the aftermath of the global financial crisis. It will be less theoretical and more practical than the standard graduate course in monetary economics.

It will be taught by three former senior policy makers at the Bank of Canada, each of whom have more than 30 years' experience working at the Bank, including involvement in both the conduct of monetary policy and the promotion of financial stability.

The topics to be covered are the following:

- inflation targeting versus price-level targeting;
- inputs into decision making;
- communications;
- governance and accountability;
- central bank independence;
- international monetary system: design and functioning;
- what we know about financial crises;
- macroprudential policy to deal with procyclicality and interconnectedness;
- financial stability monitoring: risks and vulnerabilities;
- relationship between monetary policy and financial stability policy (including asset prices);
- central bank balance sheets;
- implementation of monetary policy (technical aspects);
- central bank liquidity policy (lender-of-last-resort policy);
- unconventional monetary policy: asset purchases, forward guidance, and more.

Throughout the course, illustrations and empirical evidence will be provided from the Bank of Canada, other inflation-targeting countries, the Federal Reserve System, and the European Central Bank.

This summer's offering will include one or more current or former senior central bankers as guest speakers to address certain aspects of the course.

Attendance at lectures is strongly recommended as materials discussed in each class, including aspects covered by any guest speakers, will be included in the scope of the mid-term and final examination questions.

### **To whom the course is directed**

There are several audiences for this course. These include:

- (i) graduate students in Economics for whom the course would be complementary to the graduate macroeconomics and monetary economics courses;
- (ii) graduate students in other academic units at Carleton (such as NPSIA and SPPA) who have already taken the master's-level macroeconomics course required for their program;
- (iii) graduate students newly admitted to either the M.A. or Ph.D. Economics program at Carleton or graduate students in economics at other universities who are visiting Ottawa in May and June;
- (iv) post-baccalaureate students with advanced-level undergraduate macroeconomics training;
- (v) upper-year undergraduate students who have earned a grade of C+ or higher in each of ECON 2030 and ECON 2103 and obtained permission of the Undergraduate Supervisor.

### **The instructors**

Paul Jenkins is currently Senior Distinguished Fellow in the Faculty of Public Affairs at Carleton University. He worked at the Bank of Canada from 1972 to 2010, serving as a Deputy Governor from 1992 to 2003 and Senior Deputy Governor from 2003 to 2010. During the latter period he was the Bank's Chief Operating Officer and a member of the Board of Directors of the Bank. His duties included acting for the Governor, overseeing strategic planning and coordinating all the Bank's operations.

David Longworth is currently Adjunct Research Professor in the Department of Economics at Carleton University. He worked at the Bank of Canada from 1974 to 2010, serving as a Deputy Governor from 2003 to 2010. In this capacity, he was one of two deputy governors responsible for issues related to financial stability and financial markets.

John Murray is currently Adjunct Research Professor in the Department of Economics at Carleton University. He worked at the Bank of Canada from 1980 to 2014, serving as a Deputy Governor from 2008 to 2014. In this capacity, he was one of two deputy governors responsible for overseeing the Bank's analysis of domestic and international economic developments.

### **Queries**

If you have any questions related to course content, feel free to contact the instructors at [pjenkins@jenp.ca](mailto:pjenkins@jenp.ca), or [david.longworth@carleton.ca](mailto:david.longworth@carleton.ca), or [jdmurray@bell.net](mailto:jdmurray@bell.net).

Questions related to graduate-student registration in the course should be directed to the Department of Economics Graduate Administrator, Marge Brooks, at [marge.brooks@carleton.ca](mailto:marge.brooks@carleton.ca).

Questions related to undergraduate-student registration in the course should be directed to the Department of Economics Undergraduate Administrator, Amanda Wright, at [amanda.wright@carleton.ca](mailto:amanda.wright@carleton.ca).