

Call for Sessions - WEHC 2015 [S20140]

Proposed title of the session

The Great Depression and Macroeconomic Policy in the 1930s

Abstract

The global financial crisis of 2008 has generated renewed urgency to understanding the forces that brought about the Great Depression of the 1930s. The immense body of research macroeconomists and economic historians have amassed on the depression provided policymakers with a roadmap on how to contain the crisis of 2008. Indeed, many scholars attribute the avoidance of a second global depression to the aggressive policy response implemented by central banks and governments across the world during the onset of the crisis.

However, more work is needed. While a second global depression was avoided, growth has been anemic and unemployment has remained elevated in many countries. Facing conditions that bear an eerie resemblance to those of the 1930s, including constraints on monetary policy in the form of the zero lower bound, an overhang of consumer and business debt, and weak financial systems, policymakers have been struggling to stimulate and sustain recoveries. As a result, scholars have been looking to the 1930s for insights into the major macroeconomic policy questions of today: What are the effects of unconventional monetary policy (e.g. forward guidance, adjusting inflation targets, quantitative easing, expectations management) in a liquidity trap? What are the sources of bank and financial instability and how should policymakers strengthen financial stability without undermining financial intermediation services that are essential for strong growth? What are the implications of weak household and firm balance sheets for recovery prospects following financial crises?

This session strives to bring together scholars working on topics related to the Great Depression and the effects of macroeconomic policy in the 1930s. Topics may include, but are not limited to:

- The effects of fiscal and monetary policy in the 1930s.
- The sources of bank and financial instability.
- Balance sheet effects on consumer and business spending.
- Liquidity provision during financial crises.
- The policies and forces that stimulated recoveries in the 1930s.
- The causes and effects of financial crises.

The organizers will issue an open call for papers. We particularly encourage the submission of papers on the 1930s that have economic policy implications for today. If possible, the organizers would like to devote a portion of the session to discussing the relevance of the findings of the session's papers for current-day global macroeconomic policy. Questions of policy relevance for today may include (but are not limited to) the similarities and differences between the Roosevelt pro-inflationary regime shift of 1933 and recent efforts by the Bank of Japan to raise inflation, effective financial and regulatory reform, policies to repair household, business and bank balance sheets, and the effects of the unconventional tools of monetary policy employed by the Federal Reserve, the European Central Bank, and other central banks throughout the world since the crisis of 2008.

I. Corresponding Session Organiser

Prof. Andrew Jalil (Occidental College [United States of America])

II. Co-Organiser(s)

1. Corresponding Organiser.
 2. Dr. Gisela Rua (Federal Reserve Board of Governors [United States of America])
 3. Dr. Jonathan Rose (Federal Reserve Board of Governors [United States of America])
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III. Expected Participant(s)

1. same as correspondent.
2. Gisela Rua (Federal Reserve Board of Governors [United States of America])
3. Jonathan Rose (Federal Reserve Board of Governors [United States of America])
4. Michael Bordo (Rutgers University [United States of America])
5. Tetsuji Kawamura (Hosei University [Japan])
6. Carlos Ramirez (George Mason University [United States of America])
7. Eugene White (Rutgers University [United States of America])
8. Kris Mitchener (University of Warwick [United Kingdom of Great Britain and Northern Ireland])
9. Jeremie Cohen-Setton (University of California, Berkeley [United States of America])
10. Angela Vossmeier (University of California, Irvine [United States of America])
11. Patrick Van Horn (Southwestern University [United States of America])
12. Haelim Park (United States Department of Treasury [United States of America])