



Centre for Economic
Policy Research
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BANCA D'ITALIA
EUROSISTEMA

Call for Papers – Submission deadline: 18:00 CET on 4 May 2018

Call for papers on

“Low inflation and wage dynamics: implications for monetary policy and financial stability”

Rome, 20 and 21 September 2018

The broad recovery in advanced economies in recent years has been accompanied by persistently weak nominal wage and price dynamics. This “missing inflation” puzzle is being addressed by both academics and policymakers, as it poses a serious challenge to monetary policy.

The aim of the conference is to foster the debate on a number of related issues. Has a structural break occurred in the relationships between cyclical conditions, wage dynamics and inflation? If a break occurred, what factors, domestic or global, are responsible for it? Does the observed low wage dynamic signal a decline in the NAIRU or does it reflect the inadequacy of standard measures of unemployment to fully capture the current labour market slack? To what extent is the effectiveness of monetary policy affected by structural changes in the relationship between inflation and the economic slack? Are changes in the monetary policy framework warranted, given the risks to price and financial stability posed by persistently low inflation and the presence of an effective lower bound to the policy rates?

Submissions on the following list of topics are particularly welcome.

- Nonlinearities in the relationship between price and wage growth and cyclical conditions.
- Structural changes in labour and product markets, their impact on the NAIRU and on the natural rate of interest.
- The role of labour productivity, from both a cyclical and a long run perspective, for wage growth.
- The impact of trade integration and other global forces on inflation.
- Changes in the exchange rate and commodity prices pass-through.
- The impact of prolonged periods of too low inflation on inflation expectations.
- Measurement issues in labour, goods and service markets; labour intensive and extensive margins and nominal wage dynamics.
- The implications for monetary policy and financial stability of a persistently below target inflation and low real interest rates.

Interested authors should submit their papers to BANCADITALIA.STUDI.CONVEGNI@bancaditalia.it. The deadline for submitting the extended abstract or completed draft (strongly preferred) of the paper is 18:00 CET on **4 May 2018**. Please note in your submission whether you are willing to discuss a paper. The authors of accepted papers will be notified by **4 June 2018**. Only authors of accepted papers will be notified.

We are very pleased to confirm the attendance and participation of Prof. G. Eggertsson (Brown University) and Prof. M. Elsby (University of Edinburgh).

Limited financial support for economy class air travel and lodging expenses will be available for university-based authors and discussants. Barring exceptional circumstances, central bankers and other public officials will be asked to cover their own expenses. Where financial support is offered, this will be in accordance with the new [CEPR guidelines](#).

To respond, please visit <https://portal.cepr.org/low-inflation-and-wage-dynamics-implications-for-monetary-policy-and-financial-stability> and indicate whether or not you wish to present a paper or would be willing to act as a discussant. If you do not currently have a CEPR profile, please create a new profile here <https://portal.cepr.org/user/register> and then click on the registration link above.

The organising committee is composed of Martin Ellison (University of Oxford and CEPR), Tommaso Monacelli (University Bocconi and CEPR), Giuseppe Ferrero (Banca d'Italia), Eliana Viviano (Banca d'Italia) and Marianna Riggi (Banca d'Italia).

If you have any difficulties registering for this meeting, please contact Mandy Chan, Events Officer, at mchan@cepr.org or +44 20 7183 8804.