

Resume of: MATTHEW B. CANZONERI

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Current Position:

Professor, Department of Economics and School of Foreign Service,
Georgetown University

Affiliations:

American Economic Association

(Past) Research Fellow, Centre for Economic Policy Research

(Past) Associate Editor, Journal of International Economics

(Past) Associate Editor, Journal of Economic Dynamics and Control

Fields:

Monetary Policy, Macroeconomics, International Finance

Education:

B.S. in Mathematics, Stanford University, 1967

Ph.D. in Economics, University of Minnesota, 1975

Professional Experience:

1974-1979: Instructor and Assistant Professor of Economics, University of Illinois,
Urbana Illinois.

1979-1980: Associate Professor of Economics, University of Illinois, on leave
at the Federal Reserve Board, Washington, D.C.

1980-1983: Economist, International Finance Division, Federal Reserve Board,
Washington D.C.

Spr. 1984: Visiting Professor of Finance, Wharton School, University of
Pennsylvania

1984-1985: Economist, International Finance Division, Federal Reserve Board,
Washington D.C.

Professional Experience (continued):

1985-1990: Professor of Economics, Georgetown University, Washington, D.C.
 Spr. 1990: On leave from Georgetown University; consultant at the International Monetary Fund, Washington, DC.
 1990-1991: Professor of Economics, Georgetown University, Washington, DC.
 1991-1994: Professor and Chair, Department of Economics, Georgetown
 1994-1995: On leave from Georgetown University; Visiting the Bank of England, the Banca D'Italia, and the Banco De España.
 1995-2004: Professor of Economics, Georgetown University, Washington, DC.
 Spr. 2004: On leave from Georgetown University; Visiting the Bank of England.
 Fall 2004 -: Professor of Economics, Georgetown University, Washington, DC.

Publications:*Books and Special Issues –*

Noncooperative Monetary Policies in Interdependent Economies, (with D. Henderson), MIT Press, 1991.
Designing a Central Bank for Europe, (co-edited with V. Grilli and P. Masson), Cambridge University Press, 1992.
The New Transatlantic Economy, (co-edited with V. Grilli and W. Ethier), Cambridge University Press, 1996.
 Special Issue of Journal of Economic Dynamics and Control, (co-edited with D. Henderson), September, 2007.

In Academic Journals –

“Monetary Aggregates and Liquidity in a Neo-Wicksellian Framework,” (with R. Cumby, B. Diba and D. Lopez-Salido), Journal of Money, Credit and Banking, Vol. 40, No. 8, December, 2008, pp. 1667-1698.
 “Coordination of Monetary and Fiscal Policy in a Monetary Union: Policy Issues & Analytical Models”, invited lecture at the 38th annual conference of the Money, Macro and Finance Research Group, September 2006, University of York; published in the Manchester School , 2007.
 “The Spread Between the CCAPM Interest Rate and the Treasury-bill Rate Is Correlated with Monetary Policy,” (with R. Cumby and B. Diba), Journal of Monetary Economics, Volume 54:7, October 2007, pp. 1863 - 1881.

- “The Cost of Nominal Rigidity in NNS Models,” (with R. Cumby and B. Diba), Journal of Money Credit and Banking, Vol. 39, issue 7, 2007, 1563 - 1586.
- “New Keynesian Explanations of Cyclical Movements in Aggregate Inflation and Regional Inflation Differentials” (with R. Cumby, B. Diba and O. Mykhaylova), Open Economies Review, 17, 2006, pg. 27-55.
- “The Need for International Policy Coordination: What’s Old, What’s New, What’s Yet to Come,” (with R. Cumby and B. Diba), Journal of International Economics, Volume 66, Issue 2, July 2005, pg. 363-384.
- “Interest Rate Rules and Price Determinacy: the Role of Transactions Services of Bonds,” (with B. Diba), Journal of Monetary Economics, 52, Issue 2, March 2005, pg. 329-343.
- “Is the Price Level Determined by the Needs of Fiscal Solvency,” (with R. Cumby and B. Diba), American Economic Review, Vol. 91, No. 5, 2001, pg.1221 - 1238.
- “Fiscal Discipline and Exchange Rate Regimes,” (with R. Cumby and B. Diba), The Economic Journal, 111, No. 474, October, 2001, p. 667 - 690.
- "Relative Labor Productivity and the Real Exchange Rate in the Long Run: Evidence for a Panel of OECD Countries", (with R. Cumby and B. Diba), Journal of International Economics, 47, 1999, p. 245-266. Reprinted in Sarno and Taylor (eds) New Developments in Exchange Rate Economics, Elgar Press.
- "Real Interest Rates and Central Bank Operating Procedures", (with H. Dellas), Journal of Monetary Economics, Vol 42:3, December 1998.
- "Monetary Integration in Europe: Implications for Real Interest Rates and Stock Markets", (with H. Dellas), The Scandinavian Journal of Economics, 98(4).
- "Mechanisms for Achieving Monetary Stability: Inflation Targeting vs the ERM", (with Charles Nolan and Tony Yates), Journal of Money, Credit and Banking, February 1997, 46-60.
- "Currency Substitution and Exchange Rate Volatility in the European Community", (with B. Diba), Journal of International Economics, 35, 1993, 351-365.
- "The Inflation Discipline of Currency Substitution", (with B. Diba), European Economic Review, Vol. 36, 1992, 827-845.
- "The Macroeconomic Implications of Implicit Contract Models with Asymmetric Information" (with A. Sibert), Journal of Money, Credit and Banking, August, 1990, 273-287.
- "Is the EC an Optimal Currency Area? Optimal Taxation versus the Cost of Multiple Currencies" (with C. Rogers), American Economic Review, June, 1990, 419-433.
- "Adverse Incentives in the Taxation of Foreigners", Journal of International Economics, Vol.

- 27, 1989, 283-297.
- "When International Policy Coordination Matters: An Empirical Analysis" (with P. Minford), Applied Economics, 20, 1988, 1137-1154.
- "Monetary Policy Games and the Role of Private Information", American Economic Review, December, 1985, 1056-1070.
- "Monetary Policy Games and the Consequences of Non-cooperative Behavior" (with J. Gray), International Economic Review, October, 1985, 547-564.
- "The Information Content of the Interest Rate and the Optimal Monetary Policy" (with D. Henderson and K. Rogoff), Quarterly Journal of Economics, November, 1983, 545-566.
- "Rational Destabilizing Speculation and Exchange Intervention Policy", Journal of Macroeconomics, Winter, 1983, 75-90.
- "Exchange Intervention Policy in a Multiple Country World", Journal of International Economics, November, 1982, 267-291.
- "Stability in Financial Markets and Labor Markets: Is There a Tradeoff?", Southern Economic Journal, January, 1981, 617-629.
- "The Consistent Application of Boundary Conditions in Rational Expectations Models" (with K. Rogoff), Economic Letters, Volume 4, Number 1, 1980, 19-22.
- "Labor Contracts and Monetary Policy", Journal of Monetary Economics, April, 1980, 241-255.
- "Sufficient Conditions for Control of Target Variables and Assignment of Instruments in Dynamic Macroeconomic Models" (with M. Aoki), International Economic Review, October, 1979, 605-615.
- "Monetary Policy and the Choice of a Monetary Instrument in a Stochastic Setting", Journal of Macroeconomics, Spring, 1979, 209-221.
- "Reduced Forms of Rational Expectations Models" (with M. Aoki), Quarterly Journal of Economics, February 1979, 59-71.
- "Returns to Labor and the Cyclical Behavior of Real Wages: The Canadian Case", Review of Economics and Statistics, Feb., 1978, 19-24.
- "Macroeconomic Policy in a Dynamic Two Country Model" (with M. Aoki), Annals of Social and Economic Measurement, 6/5, 1978, 631-649.
- "The Role of Monetary and Fiscal Policy in the New Neoclassical Models", Southern Economic Journal, January, 1978, 642-647.
- "Note on the Intermediate Control Problem", Journal of Money, Credit, and Banking, May 1977, 368-371.

In Books or Conference Volumes –

- “How Do Monetary and Fiscal Policy Interact in the European Monetary Union?” (with R. Cumby and B. Diba), in Clarida, Frankel, Giavazzi and West (eds), NBER International Seminar on Macroeconomics (2004), MIT Press, 2006.
- “Price and Wage Inflation Targeting: Variations on a Theme by Erceg, Henderson and Levin,” (with R. Cumby and B. Diba) in Jon Faust, Athanasios Orphanides and David Reifschneider, eds. Models and Monetary Policy: Research in the Tradition of Dale Henderson, Richard Porter, and Peter Tinsley, Board of Governors of the Federal Reserve System, 2005.
- “Recent Developments in the Macroeconomic Stabilization Literature: Is Price Stability a Good Stabilization Strategy?”, (with R. Cumby and B. Diba), in Altug Sumru, Jagjit Chadha and Charles Nolan (eds.), Dynamic Macroeconomic Analysis: Theory and Policy in General Equilibrium, Cambridge University Press, 2003.
- “The Efficacy of Monetary Policy in a Multi Sector, Two Country Model,” (with R. Cumby and B. Diba) in Patrick Minford, ed. Money Matters - Essays in Honor of Alan Walters, Elgar, Cheltenham, 2003.
- “New Views on the Transatlantic Transmission of Fiscal Policy and Macroeconomic Policy Coordination,” (with R. Cumby and B. Diba), in Marco Buti (ed.) Monetary and Fiscal Policies in EMU: Interactions and Coordination, Cambridge University Press, 2003.
- “Should the European Central Bank and the Federal Reserve Be Concerned About Fiscal Policy?” (with R. Cumby and B. Diba), in Proceedings of a Conference on Rethinking Stabilization Policy, Federal Reserve Bank of Kansas City, Jackson Hole, 2002.
- “Productivity Trends in Europe: Implications for Real Exchange Rates, Real Interest Rates & Inflation,” (with R. Cumby, B. Diba, and G. Eudey), in a special conference issue of the Review of International Economics.
- “The Stability and Growth Pact: A Delicate Balance or an Albatross?”, (with B. Diba), Empirica, Volume 26, No. 3, 1999, 241 - 258; reprinted in Brunila, Buti and France (ed.), The Stability and Growth Pact, 2001; reprinted again in A. Hughes-Hallett, P. Mooslechner and M. Schuerz (ed.), Challenges for Economic Policy Coordination within European Monetary Union, Kluwer Academic Publishers, Boston, 2001.
- "Fiscal Constraints on Central Bank Independence and Price Stability", (with B. Diba), in J. Malo de Molina, J. Vinals, F. Gutierrez (eds) Monetary Policy and Inflation in Spain, MacMillan, 1998.
- "Comment" on Cukierman, Kalaitzidakis, Summers and Webb, "Central Bank Independence, Growth, Investment, and Real Rates", in Carnegie-Rochester Conference Series on

Public Policy.

- "Comment" on Frankel and Wei, "Emerging Currency Blocks", in Genberg, Hans (ed.), The International Monetary System: Its Institutions and Its Future, Springer, 1995.
- "Currency Substitution: From Policy Questions to the Theory and Back", (with B. Diba and A. Giovannini), in Torres, Francisco and Francesco Giavazzi, ed. Adjustment and Growth in the European Monetary Union, Cambridge University Press, 1993.
- "Fiscal Deficits, Financial Integration, and a Central Bank for Europe", (with B. Diba), prepared for a NBER-TCER-CEPR conference in Tokyo, January 1991; published in a special issue of Journal of the Japanese and International Economies, 5, 1991, 381-403.
- "A New Interpretation of the Coordination Problem and Its Empirical Significance", (with H. Edison), in Peter Hooper et al. (ed) Monetary Aggregates and Financial Sector Behavior in Interdependent Economies, Board of Governors of the Federal Reserve System, 1990, 299-433.
- "Policy Interdependence: Does Strategic Behavior Pay? An Empirical Investigation Using the Liverpool World Model" (with P. Minford), in D. Hodgman and J. Wood, eds., Macroeconomic Policy and Economic Interdependence, Macmillan Press, 1989, 158-179.
- "Optimal Choice of Monetary Policy Instruments in a Simple Two Country Game", (with D. Henderson), in de Zeew, Aart and Rick van der Ploeg (eds.) Dynamic Policy Games in Economics, Elsevier Science Publishers, 1989, 223-240.
- "Is Sovereign Policymaking Bad?" (with Dale Henderson), Carnegie - Rochester Conference Series on Public Policy (a supplementary series to the Journal of Monetary Economics), 28, 1988, 93-140.
- "Time Consistency and Trigger Mechanisms in Open Economy Monetary Policy Games", (with D. Henderson) in S. Borner and P. Hillebrandt, eds., Survival and Growth in a Polycentric World Economy, Macmillan, London, 1988.
- "Overview of Session II: The gains from Policy Coordination" in Bryant, R. and R. Portes (eds.) Global Macroeconomics: Policy Conflict and Cooperation, Macmillan Press, 1987.
- "Comment" on Frankel, "The Implications of Mean-Variance Optimization for Four Questions in International Finance", Journal of International Money and Finance, 5, 1986.
- "Some Aspects of the Adjustment Problem in an Interdependent World", (with J. Gray), in T. Agmon, R. Hawkins, and R. Levich, eds., The Future of the International Monetary System, Lexington Books, Washington D.C. Heath and Company, 1984.
- "Wage Contracting, Exchange Rate Volatility, and Exchange Intervention Policy" (with J.

Underwood) in J. Bhandari, ed., Exchange Rate Management under Uncertainty, MIT Press, 1984.

"Comment" on Frankel and Razin, "Budget Deficits and Rates of Interest in the World Economy", in W. Buiter and R. Marston, eds., International Coordination of Economic Policy, Cambridge Press, 1984.

"The Short-run Response of a Small Open Economy to an Oil Price Increase" (with M. Aoki), IEEE Conference on Decision and Control, December, 1979.

Book Reviews –

Buiter, Willem and Richard Marston, eds, International Economic Policy Coordination, Cambridge University Press, Cambridge, in Journal of International Economics, 21, 1986, 196-198.

Sargent, T. Macroeconomic Theory, Academic Press, 1979, in Southern Economic Journal, January, 1981.

Aoki, M. Optimal Control and System Theory in Dynamic Economic Analysis, North Holland, 1976, in Applied Mathematics and Optimization.

Congressional and Parliamentary Testimony:

"The Effect of European Monetary Union on American Economic Interests and Monetary Policy", before the Subcommittee on Domestic Monetary Policy, US House of Representatives, July 25, 1991.

"The Interaction Between Monetary and Fiscal Policy", before the Select Committee on Economic Affairs, U.K. House of Lords, May 18, 2004.

Working Papers:

"Monetary and Fiscal Policy Coordination when Bonds Provide Transactions Services" (with R. Cumby, B. Diba and D. Lopez-Salido), mimeo, August, 2006.

"Withering Fiscal Multipliers" (with F. Collard, H. Dellas and B. Diba), mimeo, 2008.

"Macroeconomic Implications of a Key Currency" (with R. Cumby, B. Diba and D. Lopez-Salido), NBER Working Paper # 14242, August 2008.

Conferences Organized:

June 26-27: Fifth CGES/FRB/ECB/CFS "International Research Forum on Monetary Policy," Frankfurt.

December 1-2, 2006: Fourth CGES/FRB/ECB/CFS "International Research Forum on Monetary Policy," Washington.

- December 2-3, 2005: CGES/FRB/ECB/CFS/IMF Workshop on Economic Modeling
This workshop is the follow up workshop to the one in December of 2004. Papers to be published in a special issue of the Journal of Economic Dynamics and Control, edited by Canzoneri and Henderson.
- May 20-21, 2005: Third CGES/FRB/ECB/CFS “International Research Forum on Monetary Policy,” Frankfurt.
- December 17-18, 2004: CGES/FRB/ECB/CFS/IMF Workshop on Economic Modeling
This workshop is sponsored by the International Research Forum on Monetary Policy; there was a follow up workshop in December of 2005.
- November 14-15, 2003: Second CGES/FRB/ECB/CFS “International Research Forum on Monetary Policy,” Washington.
- July 5-6, 2002: First CGES/FRB/ECB/CFS sponsored “International Research Forum on Monetary Policy,” Frankfurt.
- October 27-28, 2000: CGES/CFS Conference on “Monetary Policy Challenges in the 21st Century – A Transatlantic Perspective”.
- May 2-3, 1998: a CGES/CEPR Conference on "Regional Integration and Real Exchange Rates".
- March 18, 1996: CGES/PIES/CEPR/Brookings Dinner on "Flexible Integration: Towards a More Effective and Democratic Europe"; a CEPR study was presented by Francesco Giavazzi to the Washington policy community.
- May 5-6, 1994: CGES/CEPR Conference on "The New Transatlantic Economy"; conference papers were published in Canzoneri, Ethier, and Grilli (eds.), The New Transatlantic Economy, Cambridge University Press, 1996.
- Spring, 1994: CGES/PEW/University of Maryland Conference on "Lessons from Latin America for Eastern European Reform".
- November, 1991: CGES/CEPR Policy Dinner on "The Making of Monetary Union"; a CEPR study was presented by David Begg and Colin Meyer to the Washington policy community.
- May 1-2, 1991: CGES/CEPR/IMF Conference on "Establishing a Central Bank"; conference papers were published in Canzoneri, Grilli and Masson (eds.), Establishing a Central Bank: Issues in Europe and Lessons from the US, Cambridge University Press, 1992.