Comparative Analysis of the Efficiency of Macroprudential Policies of Central Banks

Galina Gospodarchuk [1*], Nataliya Amosova [2], Maria Shashkina [3]

[1 3] Lobachevsky State University of Nizhny Novgorod, Nizhny Novgorod, Russia
[2] Financial University under the Government of the Russian Federation, Moscow, Russia

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ABSTRACT

Within the framework of research on the efficiency of the macroprudential policy of central banks, the least studied topic is a comparative (cross-country) analysis of the efficiency of these policies because such a comparison has to use indicators, criteria, and algorithms for their calculation that are common for all countries. However, the analysis of scientific publications shows that the assessment of the efficiency of macroprudential policy mainly revolves around sample studies. Therefore, indicators, criteria, and algorithms that reflect the specifics of macroeconomic conditions, the organizational structure of a political community, the scale of its activities, values, and goals can vary from study to study. Moreover, this implies that a comparative analysis of the efficiency of macroprudential policies of different countries based on the results of selective studies can lead to misconceptions or misinterpretation of the final results and, possibly, to wrong conclusions.In this regard an analytical tool is needed based on a set of indicators and criteria common for all countries. Only an instrument that meets such requirements could produce a comparative analysis of the efficiency of a macroprudential policy, both in quantitative and qualitative aspects. Thus, our key motivation in this study was to create the said toolkit. This study aims to develop a unified system of indicators and criteria to determine the international position of central banks in terms of the level of effectiveness of the macroprudential policy.

Keywords: Financial Market, Financial Institutions, Financial Stability