

The Political Economy of Inflation Workshop

The Political Economy of Inflation: causes, dynamics, and effects

King's College London, 7 July 2023

The global economy is witnessing the highest inflation surge in 40 years after the outbreak of the Covid-19 pandemic, the supply chain shock, and more recently the war in Ukraine. What are the determinants of the current inflation surge? What is the impact of high inflation rates on growth models? How do various interest groups aim to influence policies for inflation, and how should the central banks and governments deal with inflation? Mainstream economics, Keynesian economists, and structuralists offer different perspectives on the causes, effects, and the ways to deal with inflation in advanced economies. Undoubtedly, the high level of inflation poses new challenges for governments, businesses, and households. This workshop aims to bring together academics and researchers to study the determinants of the inflation surge, its dynamics and impact on the modern economies and societies. We welcome both theoretical and empirical contributions from diverse methodological perspectives, including quantitative and qualitative approaches within the broad theme of inflation. The topics include, but are not limited to: Determinants and drivers of the inflation; Monetary and fiscal policy, inflation, and growth models; Supply disruptions including energy, commodities, and geopolitical shocks and inflation dynamics; Increasing market power of big corporations and inflationary pressures; Interest groups and policies for inflation; Inflation and its effects on firms, households, and politics; Conventional and unconventional policies to curb inflation; Quantitative easing/tightening, interest rates, and inflation.

The Vice President of the European Central Bank, Luis de Guindos will give a keynote speech in the beginning of the workshop.

Workshop Committee

Professor Simona Talani, King's College London.

Professor Engelbert Stockhammer, King's College London.

Dr. Konstantinos Myrodias, King's College London.

PROVISIONAL PROGRAMME (version 02/6)

London, KCL, July 7, 2023

9:30- 10:00 am Welcome

10:00- 11:00 am

Keynote speech and discussion

Luis de Guindos, Vice President of the ECB: The ECB and Inflation

11:00- 11:30 am Coffee Break

11:30- 1:00 pm 1st Session

Chair: Simona Talani, KCL

Paul De Grauwe, LSE and Yuemei Ji, UCL: Fighting inflation without transferring Central Banks' profits to banks

Jeremy Green, University of Cambridge and Scott Lavery, University of Sheffield: Back to the 1970s? Political economy and the return of inflation

Iain Begg, LSE: Challenges for Central Banks in the face of unexpected inflation

Discussion

1:00- 2:00 pm Lunch

2:00- 3:30 pm 2nd Session

Chair: Konstantinos Myrodiadis, KCL

Chris Hayes, Common Wealth: Sectoral margin bifurcation, wage headroom and policy discombobulation

Engelbert Stockhammer, KCL: Rising interest rates, European growth models and the European economic policy architecture

Remi Bourgeot, School of Advanced Studies in Social Sciences (EHESS): Will generative AI usher in a deflationary era?

Discussion

3:30- 4:00 pm Coffee break

4:00- 5:30 pm 3rd Session

Chair: Engelbert Stockhammer, KCL

James K. Galbraith, University of Texas: The Quasi-Inflation of 2022-2023 in the United States: Bad Analysis and Worse Policies

Simona Talani, KCL and Konstantinos Myrodiadis, KCL: Who wins from Inflation? Interest groups and inflation in Italy and Greece

Lucio Baccaro, Director, Max Planck Institute for the study of Societies: The social bases of inflation: a comparison with the 1970

Discussion

5:30-7:00 pm Drinks reception