

MICHAEL KUMHOF

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CURRENT POSITION

Senior Advisor, Research Hub, Bank of England, 2015 – today

Responsibility for developing, managing and carrying out parts of the research agenda of the Bank of England's Research Hub.

PREVIOUS POSITION

Deputy Division Chief, Modeling Division, Research Dept., IMF, 2010 – 2015

Senior Economist/Economist, Modeling Division, Research Dept., IMF, 2004 – 2010

Responsibility for developing the IMF's global DSGE model GIMF, which has been used extensively for IMF policy and scenario analyses in multilateral and bilateral surveillance, for the World Economic Outlook, and for G-20 work. It has also been used, and continues to be used, by several central banks.

ACADEMIC POSITIONS

Assistant Professor, Stanford University, Economics Department, 1998 – 2004

OTHER POSITIONS

Visiting Scholar, Research Department, International Monetary Fund,
2001 – 2002

Visiting Scholar, Research Department, Inter-American Development Bank,
2002 – 2003

PROFESSIONAL EXPERIENCE

Corporate Account Executive, Barclays Bank PLC, Singapore, 1991-1993

Management of US\$ 100 million corporate loan portfolio in Indonesia, Malaysia and Singapore.

Assistant Account Executive, Barclays Bank PLC, Portugal, 1990-1991

Co-management of US\$ 25 million corporate loan portfolio.

Management Trainee, Barclays Bank PLC, City of London, 1988-1990

Training in financial and general management.

EDUCATION

Ph.D. Economics, University of Maryland at College Park, 1998
Associate of the Chartered Institute of Bankers, England, 1992
M.Sc. Economics, University of York, England, 1988
B.A. Economics, University of York, England, 1987

DISSERTATION

Capital Flow Sterilization in Small Open Economies

Committee Chair: Guillermo A. Calvo

Advisors: Guillermo A. Calvo, Carmen M. Reinhart, Allan Drazen, Michael Binder

RESEARCH

Fields of Interest

Monetary reform (including central bank digital currencies and full reserve banking), endogenous money creation by the banking system, banking in macroeconomic models, monetary policy, fiscal policy, international finance, economic rent and its taxation, economics of exhaustible resources, inequality and macroeconomic performance.

Impact

Google Scholar citations: 10,032 (top 1%)

Google Scholar h-index: 43 (top 2%)

RePEc h-index: 25 (top 2%)

Papers Currently Under Revision

- [“CBDC Policy Rules and Welfare”](#) (with Marco Pinchetti, Phurichai Rungcharoenkitkul and Andrej Sokol), July 2024, previously: “CBDC Policies in Open Economies”, CEPR Discussion Papers, No. 17982, March 2023. *Revise and Resubmit at Journal of Monetary Economics.*
- [“Central Bank Money: Liability, Asset or Equity of the Nation?”](#) (with Jason Allen, Will Bateman, Rosa Lastra, Simon Gleeson and Saule Omarova), October 2023, previous version: CEPR Discussion Papers, No. 15521, December 2020. *Revise and Resubmit at Journal of Money, Credit, and Banking.*

Journal Publications

- “[The Macroeconomics of Central Bank Digital Currencies](#)” (with J. Barrdear), *Journal of Economic Dynamics and Control*, **142**, September 2022, 1-24.
- “[Banks, Money, and the Zero Lower Bound on Deposit Rates](#)” (with X. Wang), *Journal of Economic Dynamics and Control*, **132**, November 2021, 1-26.
- “[Central Bank Digital Currencies – Design Principles for Financial Stability](#)” (with C. Noone), *Economic Analysis and Policy*, **71**, September 2021, 553-572.
- “[On the Theory of International Currency Portfolios](#)”, *European Economic Review*, **101**, January 2018, 376-396.
- “[Government Debt Bias](#)” (with I. Yakadina), *IMF Economic Review*, **65(4)**, 2017, 675-703.
- “[Balance-of-Payments Anti-Crises](#)” (with I. Yan), *Journal of Macroeconomics*, **48**, April 2016, 186-202.
- “[Risky Bank Lending and Countercyclical Capital Buffers](#)” (with J. Benes), *Journal of Economic Dynamics and Control*, **58**, September 2015, 58-80.
- “[Inequality, Leverage and Crises](#)” (with R. Ranciere and P. Winant), *American Economic Review*, **105(3)**, March 2015, 1217-1245.
- “[Oil and the World Economy: Some Possible Futures](#)” (with D. Muir), *Philosophical Transactions of the Royal Society A*, 2014, **372**: 20120327.
- “[Trade Openness and Exchange Rate Regimes](#)” (with O. Kamenik), *Journal of Money, Credit and Banking*, **46(8)**, December 2014, 1657-1686.
- “[The Future of Oil: Geology versus Technology](#)” (with J. Benes et al.), *International Journal of Forecasting*, **31(1)**, January-March 2015, 207-221.
- “[To Starve or not to Starve the Beast?](#)” (with D. Leigh and D. Laxton), *Journal of Macroeconomics*, **39(A)**, March 2014, 1-23.
- “[Fiscal Deficits and Current Account Deficits](#)” (with D. Laxton), *Journal of Economic Dynamics and Control*, **37(10)**, October 2013, 2062-2082.
- “[Simple Fiscal Policy Rules for Small Open Economies](#)” (with D. Laxton), *Journal of International Economics*, **91(1)**, September 2013, 113-127.
- “[Pricing Policies and Inflation Dynamics](#)” (with L. Cespedes and E. Parrado), *Macroeconomic Dynamics*, **16(4)**, September 2012, 576-604.

- [“Effects of Fiscal Stimulus in Structural Models”](#) (with Coenen et al.), *American Economic Journal: Macroeconomics*, **4(1)**, January 2012, 22-68.
- [“Deficit Reduction: Short-Term Pain for Long-Term Gain”](#) (with K. Clinton, D. Laxton and S. Mursula), 2011, *European Economic Review*, **55(1)**, 118-139.
- [“Jointly Optimal Monetary and Fiscal Policy Rules under Liquidity Constraints”](#) (with H. Bi), *Journal of Macroeconomics*, **33(3)**, September 2011, 373-389.
- [“Chile’s Structural Fiscal Surplus Rule: A Model-Based Evaluation”](#) (with D. Laxton), *Economia Chilena*, **13(3)**, December 2010, 5-32.
- [“Global Effects of Fiscal Stimulus During the Crisis”](#) (with C. Freedman, D. Laxton, D. Muir and S. Mursula), *Journal of Monetary Economics*, **57**, July 2010, 506-526.
- [“On the Theory of Sterilized Foreign Exchange Intervention”](#), *Journal of Economic Dynamics and Control*, **34**, April 2010, 1403-1420.
- [“Policies to Rebalance the Global Economy After the Financial Crisis”](#) (with C. Freedman, D. Laxton and D. Muir), *International Journal of Central Banking*, **6(1)**, March 2010, 215-252.
- [“Simple Monetary Rules under Fiscal Dominance”](#) (with R. Nunes and I. Yakadina), *Journal of Money, Credit and Banking*, **42(1)**, February 2010, 63-92.
- [“Optimal Price Setting and Inflation Inertia in a Rational Expectations Model”](#) (with M. Juillard, O. Kamenik and D. Laxton), *Journal of Economic Dynamics and Control*, **32(8)**, August 2008, 2584-2621.
- [“Inflation Inertia and Credible Disinflation”](#) (with G. Calvo and O. Celasun), *Journal of International Economics*, **73(1)**, September 2007, 48-68.
- [“Balance of Payments Crises under Inflation Targeting”](#) (with S. Li and I. Yan), *Journal of International Economics*, **72(1)**, May 2007, 242-264.
- [“Sterilization of Short-term Capital Inflows: Through Lower Interest Rates?”](#), *Journal of International Money and Finance*, **23(7-8)**, November 2004, 1209-1221.
- [“International Capital Mobility in Emerging Markets: New Evidence from Daily Data”](#), *Review of International Economics*, **9(4)**, November 2001, 626-640.
- [“A Quantitative Exploration of The Role of Short-Term Domestic Debt in Balance of Payments Crises”](#), *Journal of International Economics*, **51(1)**, June 2000, 195-215.

Working Papers

- [“Quantitative Easing and Quantitative Tightening: The Money Channel”](#) (with Mauricio Salgado Moreno), Bank of England Staff Working Papers, No. 1090, August 2024.
- [“Deep Reinforcement Learning in a Monetary Model”](#) (with Mingli Chen, Andreas Joseph, Xinlei Pan, Wei Xiong and Xuan Zhou), Bank of England Staff Working Papers, No. 1142, September 2025.
- [“The Chicago Plan Revisited – Debt-free Money, Growth, and Stability”](#), CEPR Discussion Papers, No. 19603, October 2024, previously (with J. Benes): “The Chicago Plan Revisited”, IMF Working Paper WP/12/202.
- [“How Does International Capital Flow?”](#) (with Phurichai Rungcharoenkitkul and Andrej Sokol), July 2024, previous version: Bank of England Staff Working Papers, No. 884, August 2020.
- [“Towards a New Monetary Theory of the Exchange Rate”](#) (with Ambrogio Cesa-Bianchi, Andrej Sokol and Gregory Thwaites), June 2024, previously: “Towards a New Monetary Theory of Exchange Rate Determination”, Bank of England Staff Working Paper, No. 817, August 2019.
- [“Post-Corona Balanced-Budget Super-Stimulus: The Case for Shifting Taxes onto Land”](#) (with Charles Goodhart, Michael Hudson and Nicolaus Tideman), CEPR Discussion Papers, No. 16652, October 2021.
- [“China’s Turn to Domestic-Led Growth: Replacing Consumption Taxes with Land Taxes?”](#) (with Yilin Hou and Lei Shao), Manuscript, August 2025.
- “Income Inequality and the Current Account” (with Ezgi Özsögüt, Romain Rancière and Pablo Winant), Manuscript, October 2025.
- “The Effects of CBDC Introduction into a Heavily Cash-Based Economy: The Case of Morocco” (with Mohammed Mikou and Yassine Slaoui), Manuscript, September 2025.
- “The Future of Banking” (with Harald Benink and Harald Uhlig), Manuscript, September 2025.
- “Lighting the Shadows: Central Bank Policy Transmission through Banks and Non-Banks” (with Nicolò Bandera, Kristina Bluwstein, Mauricio Salgado-Moreno and Jacob Stevens), Bank of England Staff Working Paper, December 2025 (forthcoming).

- [“Banks Are Not Intermediaries of Loanable Funds – Facts, Theory and Evidence”](#) (with Zoltan Jakab), Bank of England Staff Working Paper, No. 761, June 2019.
- [“Banks Are Not Intermediaries of Loanable Funds – And Why This Matters”](#) (with Zoltan Jakab), Bank of England Staff Working Paper, No. 529, May 2015.
- [“The Global Integrated Monetary and Fiscal Model – Theoretical Structure”](#) (with D. Laxton, D. Muir and S. Mursula), IMF Working Paper WP/10/34.

Conference Volumes

- “Does the Exchange Rate Belong in Monetary Policy Rules? New Answers from a DSGE Model with Endogenous Tradability and Trade Frictions” (with D. Laxton and K. Naknoi), in R. Anderton and G. Kenny, eds., *Macroeconomic Performance in a Globalizing Economy*. Cambridge and New York: Cambridge University Press, 2011.
- “Government Debt: A Key Role in Financial Intermediation” (with E. Tanner), in C. Reinhart, C. Végh and A. Velasco (ed.), *Money, Crises and Transition, Essays in Honor of Guillermo A. Calvo*, 2008.
- “Exchange Rate Regimes, International Linkages, and the Macroeconomic Performance of the New Member States” (with T. Bayoumi, D. Laxton and K. Naknoi), Chapter 5 in C. Detken, V. Gaspar, G. Noblet, eds., *The New EU Member States – Convergence and Stability, Proceedings of the Third ECB Central Banking Conference*, 2004.
- “A Critical View of Inflation Targeting: Crises, Limited Sustainability, and Aggregate Shocks”, in: N. Loayza and R. Soto, eds., *Inflation Targeting: Design, Performance, Challenges*. Santiago, Chile: Central Bank of Chile, 2002.
- “A Theory of Rational Inflationary Inertia” (with G. Calvo and O. Celasun), in: P. Aghion, R. Frydman, J. Stiglitz and M. Woodford, eds., *Knowledge, Information and Expectations in Modern Macroeconomics: In Honor of Edmund S. Phelps*. Princeton: Princeton University Press, 2002.

IMF Papers

- “Oil Scarcity, Growth and Global Imbalances”, with T. Helbling, J.S. Kang, S. Roache and A. Pescatori, Chapter 3 of April 2011 World Economic Outlook, IMF.
- “The Case for Global Fiscal Stimulus”, with C. Freedman, D. Laxton and J. Lee, 2009, Staff Position Note 2009/03, IMF.
- “A Simulation-Based Perspective on Fiscal Stimulus”, with D. Laxton, 2008, part of Chapter 5 of the October 2008 World Economic Outlook, IMF.

- “South Asia: Illustrative Impact of an Abrupt Climate Shock”, with D. Laxton, 2008, Box 4.2 of Chapter 4 of the April 2008 World Economic Outlook, IMF.
- “When Does Fiscal Stimulus Work?”, with S. Danninger and D. Laxton, 2008, Box 2.1 of Chapter 2 of the April 2008 World Economic Outlook, IMF.
- “Decoupling the Train? Spillovers and Cycles in the Global Economy?”, with T. Helbling, P. Berezin, A. Kose, D. Laxton and N. Spatafora, 2007. Chapter 4 of the April 2007 World Economic Outlook, IMF.
- “How Will Global Imbalances Adjust?”, with D. Laxton, 2006. Box 1.3 of Chapter 1 of the September 2006 World Economic Outlook, IMF.

Other Research

- Visiting Scholar, Banco de la Republica / Universidad de los Andes, Colombia, June/July/August 2000, July/August 1999.
- Research Assistant, University of Maryland, 1994-1998.
- Visiting Scholar, International Monetary Fund, July 1998.
- Consultant, Deutsche Bank Securities Inc. (Emerging Markets), New York, Oct. 1998.
- Consultant, Inter-American Development Bank, Office of the Chief Economist, March-July 1997.

IMF AND CENTRAL BANK MODELING WORK

I developed the IMF’s global DSGE model, the Global Integrated Monetary and Fiscal Model (GIMF), between April 2004 and January 2015. GIMF is a monetary, fiscal and macro-financial business cycle model that has been used intensively for the World Economic Outlook, Early Warning Exercises and G-20 Notes. It has also been used by many IMF country desks for country-related applications and has been adopted by several national central banks for policy simulations. The Modeling Division of the IMF produced several academic applications of this model, some of which have been published in leading academic journals.

In October 2025 I concluded the development of a small open economy policy simulation model for the Moroccan central bank as part of a UK Foreign and Commonwealth Development Office technical assistance program. The objective is to study the effects of introducing CBDC into a developing economy where cash still plays an important role alongside bank deposits, and where a significant share of households and small firms is unbanked. After one more visit in early 2026 the Moroccan central bank will be able not just to simulate different scenarios of a CBDC introduction, but also to adopt this model as their workhorse policy simulation tool.

REFEREEING

- Econometrica.
- American Economic Review.
- Journal of Political Economy.
- Review of Economic Studies.
- Economic Theory.
- European Economic Review.
- Journal of Monetary Economics.
- Journal of Money, Credit, and Banking
- Journal of Banking and Finance
- Journal of Development Economics.
- Journal of Economic Dynamics and Control.
- Journal of International Economics.
- Economic Journal.

ACADEMIC ADMINISTRATIVE RESPONSIBILITIES

Assistant Director of Undergraduate Studies, Stanford Economics Department,
1999/2000.

TEACHING (Stanford University)

- International Finance, Graduate, Fall 1998/1999/2000/2004.
- International Economics, Undergraduate, Spring 1999, Winter 2000/2001, Fall 2004.
- Money and Banking, Undergraduate, Winter 2000, Winter 2001/2004.

LANGUAGES

English, German: Bilingual
Spanish: Fluency
Portuguese: Intermediate
Russian, French: Basic

CITIZENSHIP

Germany

MARITAL STATUS

Married, no children