*Dr. Elisa Newby*

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Nationality: Finnish

Date of Birth: 15 February 1976

Academic Profile

*08/2010 -*

*2007- 2010*

*2004-2007*

Economist, Monetary Policy and Research Department, Central Bank of Finland

College Lecturer in Economics, Director of Studies and Fellow, Fitzwilliam College, University of Cambridge

Research Associate

Centre for Dynamic Macroeconomic Analysis, University of St Andrews

Title of the Ph D Thesis: ‘*Sustainable Monetary Policy. Lessons and Evidence from the Bank Suspension Period of 1797-1821.’*

Supervisor: Professor Charles Nolan

External Examiner: Professor Max Gillman, Cardiff University; Internal Examiner: Dr Gary Shea

The thesis was passed without requiring revision on 28/3/2008.

*1995-2001*

*1997-1998*

Masters in Social Sciences, University of Helsinki

Major Studies in Economics and Statistics

Minor Studies in Mathematics and International Business Studies

Masters Thesis on ‘*Does EMU Encourage Labour Market Reforms*?’ passed as Magna Cumlaude Approbatur

Erasmus Scholarship, University of Edinburgh

Honours level studies in micro- and macroeconomics

Other Professional Experience

*2002-2004*

**f Finland**

Economist, Statistics Department, Central Bank of Finland

* Specialist analysing current account variations and Finnish financial markets
* Supervising compilation of Finland’s balance of payments statistics

*1999-2002*

*1996-1997*

Derivatives Analyst, Helsinki Stock and Derivatives Exchange

Qualified Derivatives Trader

* Specialist in risk assessment and setting margin requirements for derivatives trading
* Qualified in Eurex derivatives trading and clearing

Project assistant, Organisation and Management Development Unit, Central Bank of Finland

* Part time role in supporting strategic planning and budgeting (concurrent with studies)

Research Papers

The Suspension of the Gold Standard as a Sustainable Monetary Policy

* The paper models the gold standard as a state contingent commitment rule that is only feasible during peace. It shows that monetary policy during war, when the gold convertibility rule is suspended, can still be credible, if the policy maker's plan is to resume the gold standard at the old par value in the future. The DGE model developed in this paper suggests that the resumption of the gold standard was a sustainable plan, which replaced the gold standard as a commitment rule and made monetary policy time consistent. The equilibrium is supported by trigger strategies, where private agents retaliate if a policy maker defaults its policy plan to resume the gold standard rule. **Revised and resubmitted for the Journal of Economic Dynamics and Control**

Midas, transmuting all, into paper: the Bank of England and the Banque de France during the Napoleonic Wars

* The paper re-assesses Napoleonic wartime economic policy in light of recent developments in monetary and fiscal theory. Tight interaction between fiscal and monetary policies emerges especially during wartime crisis, and monetary rules, such a commodity standard, can achieve much in the way of stabilising the economy. But institutions play a fundamental role in the conduct of monetary policy. We explain exactly how the Bank of England was able to facilitate tax smoothing, whereas Banque de France was not. Tax smoothing implies not only limits to the distortionary impact of given path of government expenditure but also implies that government debt markets are sufficiently well developed to absorb an increase in government liabilities. Furthermore we study the extent to which the decision to suspend temporarily gold payments by the Bank of England and to adopt a concerted strategy of gradual resumption can be thought of approximating a state-contingent optimal rule, which afforded protection to the government and its central bank in pursuing the conflicting goals of price stability and war finance**. (Joint with Prof J. Chadha)**

The Gold Standard in General Equilibrium

* The paper develops a model of the gold standard in the DSGE framework and uses it to analyse economic fluctuations associated with business cycles during the gold standard period of 1717-1914. By using computational methods I analyse the impact of gold preference, government expenditure and technology shocks to the economy and compare my findings to data.

Financial stability and the Suspension of the Gold Standard Rule

* The paper analyses how changes in the monetary regime can be used to stabilise financial markets. The DSGE model developed in this paper demonstrates that the gold standard satisfies the long-term objective of price stability during peace, but during war the gold following the gold standard rule intensifies the volatility of the markets especially if there are nominal rigidities such as a usury law. The suspension of the gold standard stabilises price level, consumption and asset prices, but might have been avoided if the central bank had been able to increase the interest rate above the 5% usury limit.

Research Funding

Studentship at the Centre for Dynamic Macroeconomic Analysis, £27.000 in total

Yrjö Jahnnson’s Foundation, €12.000

Teaching Experience

In Cambridge: 1st year lecture series in Economic History

1st, 2nd and 3rd year Microeconomics supervisions

1st and 2nd year Macroeconomics and mathematics supervisions

In St Andrews: Lecture series in Financial Modelling, MSc Programme

Quantitative Methods Laboratories

Monetary Policy & International Finance

Macroeconomics tutorials (1st, 2nd and honours modules)

Microeconomics tutorials (1st and 2nd year modules)

Student Supervision

MPhil level: William Bryce, Yuke Li, Orlaith O’Connor, Chioma Ogamya and Trang Lee (University of Cambridge)

Honours level: Chirag Dave, Tal Grant, Tom Xu (University of Cambridge)

All my students have received grades equal to or above 2.1

Review for Journals

The Journal of Economics Dynamics and Control

The Scottish Journal of Political Economy

Conference and Seminar Presentations

*Feb. 2010*  History seminar, University of Aberdeen

*Oct. 2009* Credit crunch and the macroeconomics conference, Bank of Finland/CEPR/ the Cass Business School

*June 2009*  26th symposium on Money, Banking and Finance, Université d’Orléans

*Feb 2009*  Quantitative Economics Seminar, Cambridge

*May 2008*  Quantitative Economic History Seminar, Cambridge

*Sept. 2007* The MMF Annual Conference, Birmingham

*June 2007*  The Monetary and Financial Economics, Deutsche Bundesbank

*2005,-06,-07* In charge of organising the Annual CDMA Conference

Membership of Professional Societies

American Economic Association, Economic History Association

Languages

English Fluent written and spoken

Swedish Good written and spoken skills

French Good written and spoken skills

Finnish Native speaker

Computer Skills

Ms Office, Scientific workplace, MatLab, SPSS etc.

Several trading and risk management software, SQL database systems