

---

[Download](#)

## Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of Colombia). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

## AUTHOR OR EDITOR

[Cepeda Valentina Bibiana Taboada-Arango Mauricio Villamizar-Villegas](#)

The series [Borradores de Economía \(Working Papers on Economics\)](#) contributes to the dissemination and promotion of the work by researchers from the institution. On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. This series is indexed at Research Papers in Economics (RePEc). The opinions contained in this document are the sole responsibility of the author and do not commit Banco de la República or its Board of Directors.

---

Publication Date:  
Friday, 16 of June 2023

## Abstract

We bring together the largest meta-analysis ever conducted in the macroeconomic literature to investigate the effects of central bank credibility on monetary policy. With nearly 1,200 surveyed effects, we first confirm that: (i) conventional policy significantly affects inflation and output, and (ii) unconventional policy significantly affects capital flows and the exchange rate. We next evaluate if different measures of credibility amplify these effects. Our findings indicate that central bank transparency has the largest payoff, as it increases policy effectiveness by 69% when dealing with foreign exchange intervention, by 59% when dealing with capital inflows, and by 14% when dealing with conventional policy. An alternative measure, medium and long-term anchoring in inflation expectations, is the runner up, increasing effectiveness by 31%, 9%, and 10%, respectively. Other measures, such as central bank independence and short-term anchoring in inflation expectations have lower and in some cases null effects.