

The Journal of Economic Asymmetries

Special Issue on “Macroeconomic and Commercial Policies Amid Shifting Global Relations: Persistent Asymmetries in the Global Economic Order”

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It is clear that following the shocks which hit the global economy since early 2020 (COVID followed by rises in energy prices pre-Ukraine war and then Russia’s invasion of Ukraine along the ongoing supply chain disruptions), fiscal and monetary policies in the major currency areas were slow to react to the inflationary consequences of the successive shock

After decades of low inflation and interest rates, the global economy has entered a period characterized by high and volatile inflation. This change has coincided with, and in some cases resulted because of, various shocks and new structural forces affecting the global economy—including supply disruptions, higher energy and food prices, political tensions and geo-economic fragmentation, climate change and increased market power.

What role should monetary policy play to address these forces? And how is its effectiveness affected by them? For example, should central banks adopt climate change considerations in their monetary policy frameworks, given their current legal mandates (see e.g., Lagarde, 2021, and Powell, 2023)? How the level of firms’ markup affects the ability of monetary policy to stabilize output and inflation?

Apart from the effects of shocks on the rise in inflation, what role did monetary policy play in contributing to that rise? With the monetary aggregates increasing at record rates in many currency areas in 2020, and with policy rates held to near zero, was monetary policy too expansionary during the early stages of the recent episode of high inflation? Why did monetary policymakers miss the intensity and persistence of the inflation episode, classifying it—both in the U.S. and in Europe—as “transitory”?

What are the implications of the higher inflation for the inflation targeting regimes followed by many central banks? What role did inflation spillovers play among major currency regions in the recent upsurge in inflation?

Moreover, in the context of renewed debates over tariffs, global trade tensions, and enduring imbalances in financial flows, this call seeks rigorous contributions that explore the structural asymmetries, that continue to shape the global economic system. The introduction of wide-ranging tariffs announced on “Liberation Day” is set to have far reaching consequences for international trade patterns and the US and world economies. These measures, although not yet fully applied, consist of a universal baseline tariff of 10%, alongside higher rates targeting countries with substantial trade surpluses, are expected to profoundly reshape existing trade relationships and economic structures. Donald Trump’s emphasis on tariff reciprocity to justify U.S. tariff increases has focused immense attention on the notion of tariff reciprocity which implies that ‘fair’ tariffs should be equal across countries. The standard mercantilist notion is once again on the surface of the political economy of trade debate. Imports are bad, exports are good. Furthermore, it is under investigation whether and when a trade war that imposes balanced trade (or even zero trade) can be consistent with initial non-zero net foreign asset positions.

Against this background, the Journal of Economic Asymmetries Special Issues would look for contributions examining recent and new challenges affecting the design and the effectiveness of macroeconomic and commercial policies and to foster interdisciplinary and empirically grounded scholarship that critically examines how historical legacies, institutional frameworks, and geopolitical power relations contribute to persistent imbalances across trade, finance, and macroeconomic coordination. Topics of interest include, but are not restricted to:

- Does the current global financial system serve nations asymmetrically?
- Is there evidence that the current financial system has caused the US dollar to be persistently over-valued?
- Has the US dollar's overvaluation impacted asymmetrically the US economy by diminishing manufacturing and favoring financialization?
- What leading global currencies accumulated as reserves by leading central banks are safe assets?
- Can existing safe assets provide sufficient liquidity in times of financial crises? Who is today the lender of last resort?
- What theories and what evidence exist for relationships between deficits of balance of payments and national fiscal budgets?
- How can policies about tariffs and geopolitical alliances be integrated?
- Why has the Euro contributed asymmetrically to EMU’s economic growth?
- Could AI rebalance social benefits by increasing manufacturing productivity and asset returns?
- What are the effects of the current US trade policies on the future of economic and monetary unions such as the EU, or trade/economic blocs such as BRICS;
- What are the effects of the current US trade policies on major exchange rates such as the EURO/USD.
- Global Trade Imbalances and Structural Asymmetries
- Asymmetries in Tariffs, Inflation, Currencies, and Global Financial Stability
- Why Do Balance of Payments Deficits Persist?
- The Triffin Paradox: Origins and Contemporary Relevance
- Global Saving Gluts and Persistent Public Deficits
- The Impact of Tariffs on Global Trade and Growth
- Monetary Policy in a Fragmenting Global Economy
- The Future of US Dollar Dominance: Challenges and Opportunities
- Geopolitical Risks and Their Impact on International Finance
- Challenges for Emerging Markets under shifting international dynamics
- Macroeconomic dimensions of economic security

- Fiscal imbalances and global inflation
- Global Supply Chains disruptions and Monetary Policy