

PROFESSOR JOHN MUELLBAUER

HOUSING, DEBT AND THE ECONOMY: A TALE OF TWO COUNTRIES

Lecture in English

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THE ANGLO-GERMAN ANNUAL LECTURE

Berlin-Brandenburg Academy of Sciences and Humanities,
Anglo-German Foundation

Tuesday, 16th May 2017, 6 pm

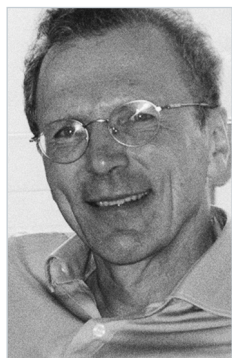
Berlin-Brandenburg Academy of Sciences and Humanities
Leibniz-Hall, Markgrafenstr. 38, 10117 Berlin



Housing, debt and the economy: a tale of two countries

From 1996 to 2016, according to the OECD, the ratio of an index of German house prices to per capita household income has *declined* by 6%, while the UK's has *risen* by 98%. This is the case despite the current boom in the German housing market, and the decline in Germany since 1970 is even more pronounced. The international picture since 1996 is quite diverse, ranging from zero in the US, to rises of 61 % in Germany's neighbour France, and 79 % in New Zealand and 112 % in Sweden, both countries with low population densities. The talk will explain these striking Anglo-German differences in terms of key institutional differences, particularly in the supply of land, the nature of credit markets, taxation and tenure structures.

The differences between Germany and the UK have deep historical and cultural roots. The talk will explain why these differences, whose relevance has been overlooked by standard macroeconomics, matter. They have profound economic implications, including for intergenerational justice, inequality, macroeconomic policy, financial stability, and the transmission of monetary policy.



John Muellbauer, Fellow of the British Academy (FBA), is a Senior Research Fellow of Nuffield College, Professor of Economics and a Senior Fellow of the Institute for New Economic Thinking at the Oxford Martin School, Oxford University. Before coming to Nuffield College in 1981, Muellbauer was Professor of Economics at Birkbeck College, London, and Lecturer at Warwick University. He obtained his first degree from Cambridge University, England and his Doctorate from the University of California.

His research, with colleagues, on the impact of credit market liberalization on consumer debt, spending and housing markets in the UK, US, Canada, South Africa and Australia and relative non-liberalisation in Japan and Germany aims to throw new light on monetary transmission, financial stability and monetary policy. His most recent paper, "Macroeconomics and Consumption", is a critique of models used by central banks.

Welcome

Martin Grötschel

President
Berlin-Brandenburg Academy
of Sciences and Humanities

Introduction

Sir Sebastian Wood, KCMG

British Ambassador
to the Federal Republic of Germany

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Professor of Economics, Oxford University,
and Senior Fellow, Institute for New Economic Thinking,
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